

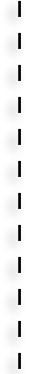
#### Real Income Billions

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 $C = a + MPC_xY$ 

## Choose any two points

# $\Delta Y = 1000$



### $MPC = \Delta C/\Delta Y$

# Calculating the slope

MPC = 750/1000









MPC = 0.75











## When income increase by 1,000

#### Consumption increase by 750





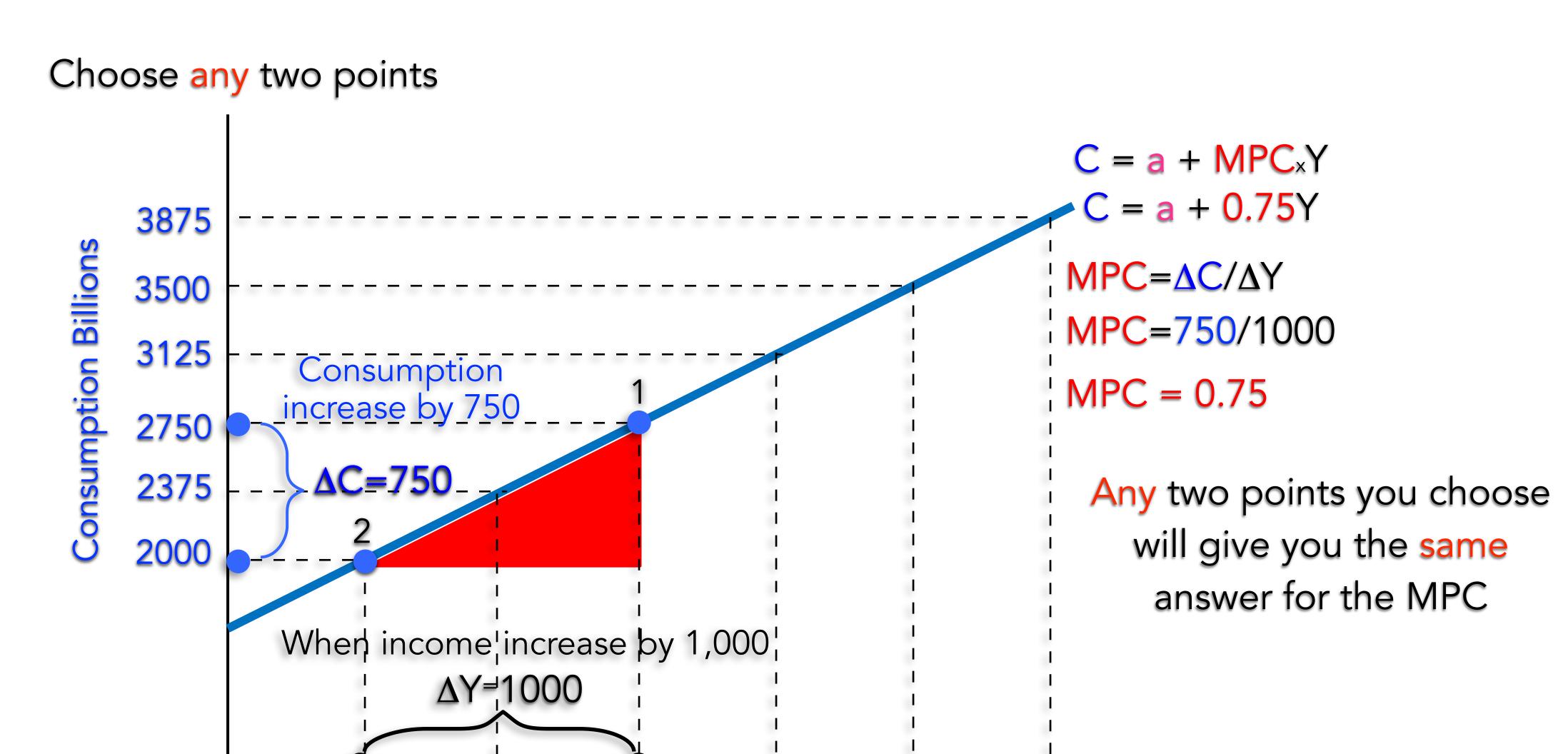
C = a + 0.75Y

### Any two points you choose will give you the same

answer for the MPC



Real Income Billions



## Calculating the intercept

