For all, the MPC = 10%

The APC is different for these individuals

Be sure to distinguish between these two:

The Marginal Propensity to Consume:

MPC = change in consumption/change in income

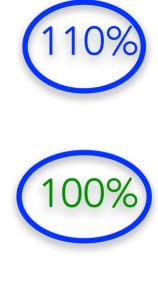
 $MPC = \Delta C/\Delta Y$

The Average Propensity to Consume:

APC = Consumption/Income

AP'

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The APC is different for these individuals









Be sure to distinguish between these two:

The Marginal Propensity to Consume:

MPC = change in consumption/change in income

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

The Average Propensity to Consume:

APC = Consumption/Income

$$APC = C/Y$$

