

Real Income

Consumption

10000



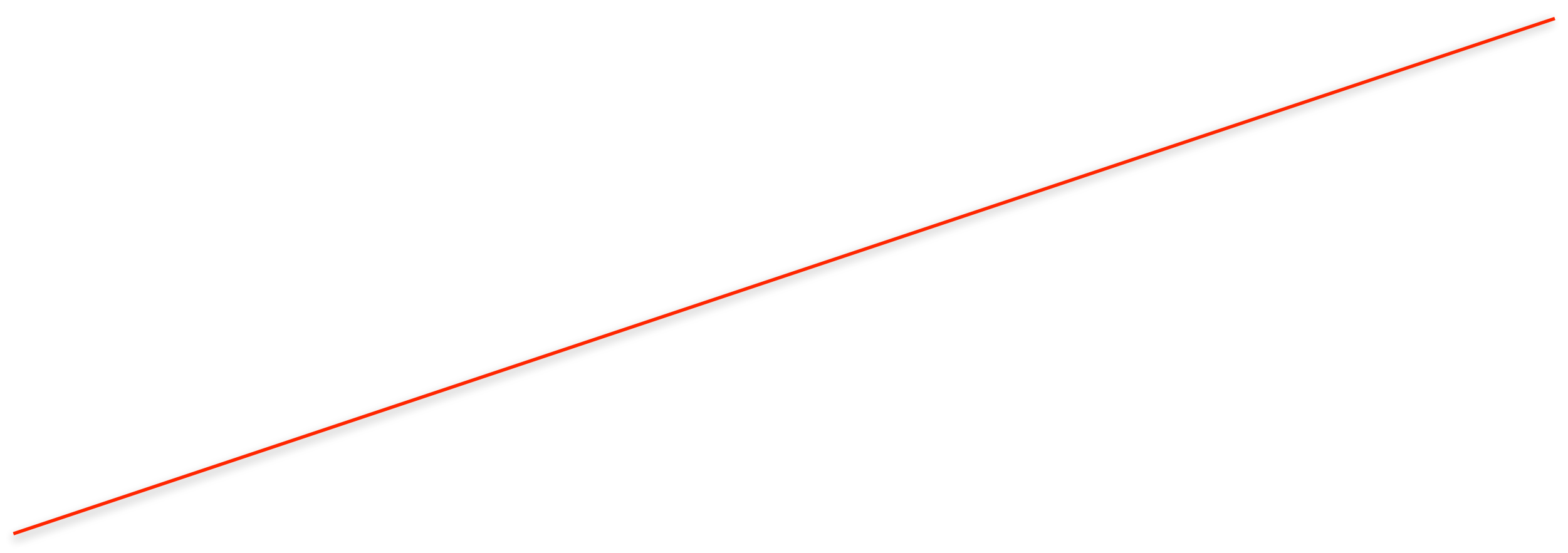




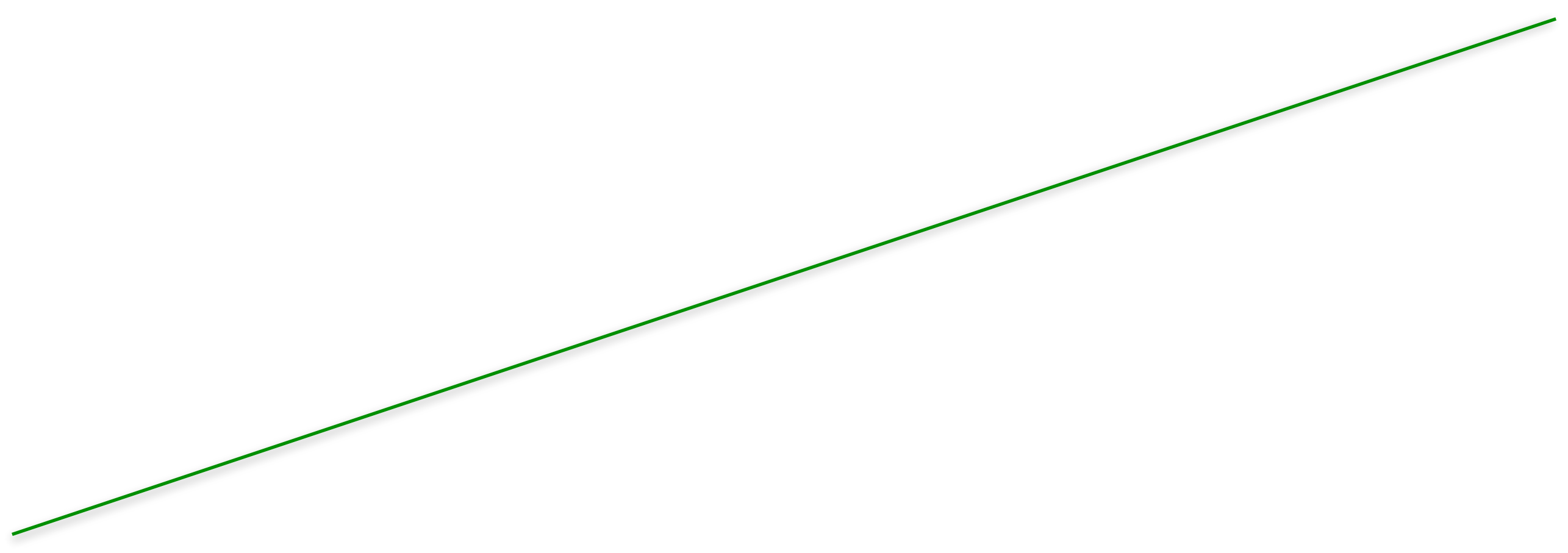


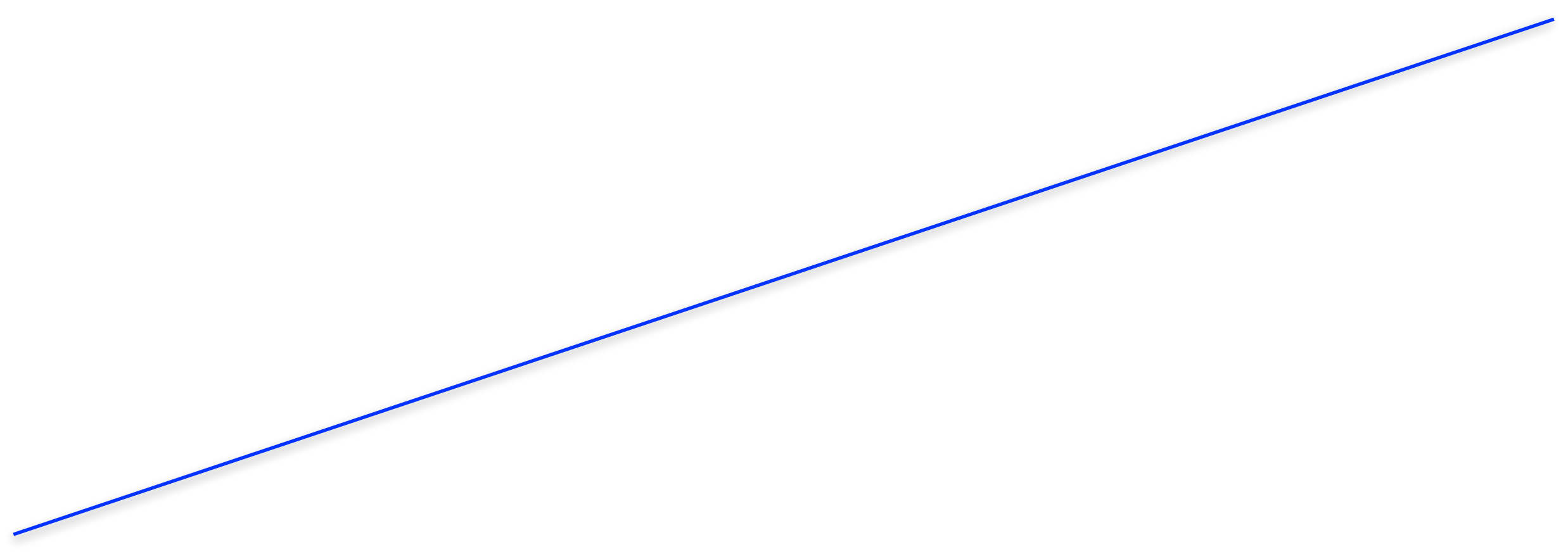
11000

2000

























Cc

CM

CB

700

700

700

3000

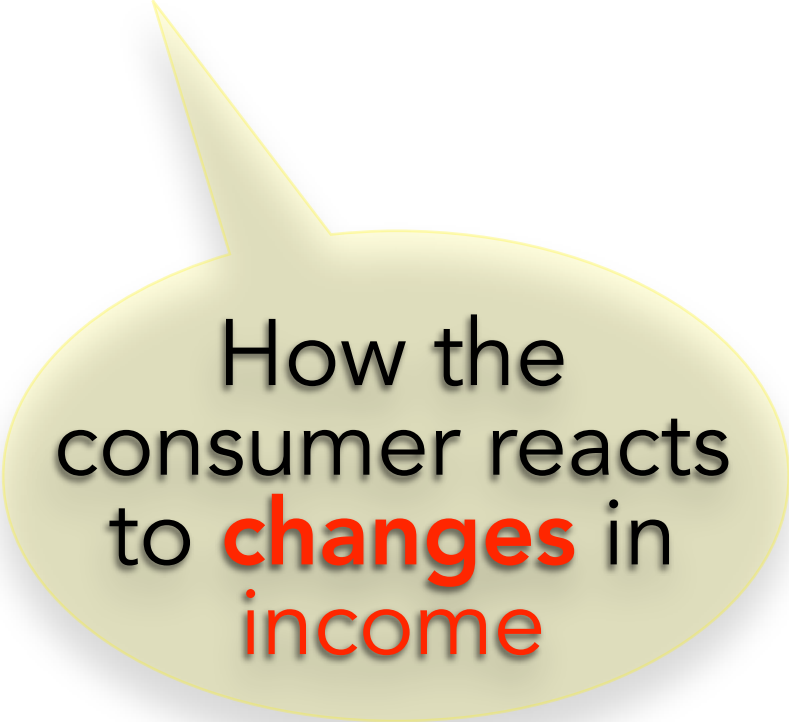
4000







The Consumption Function shows

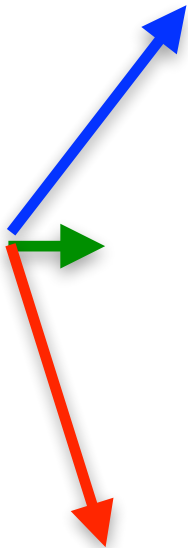


How the
consumer reacts
to **changes** in
income



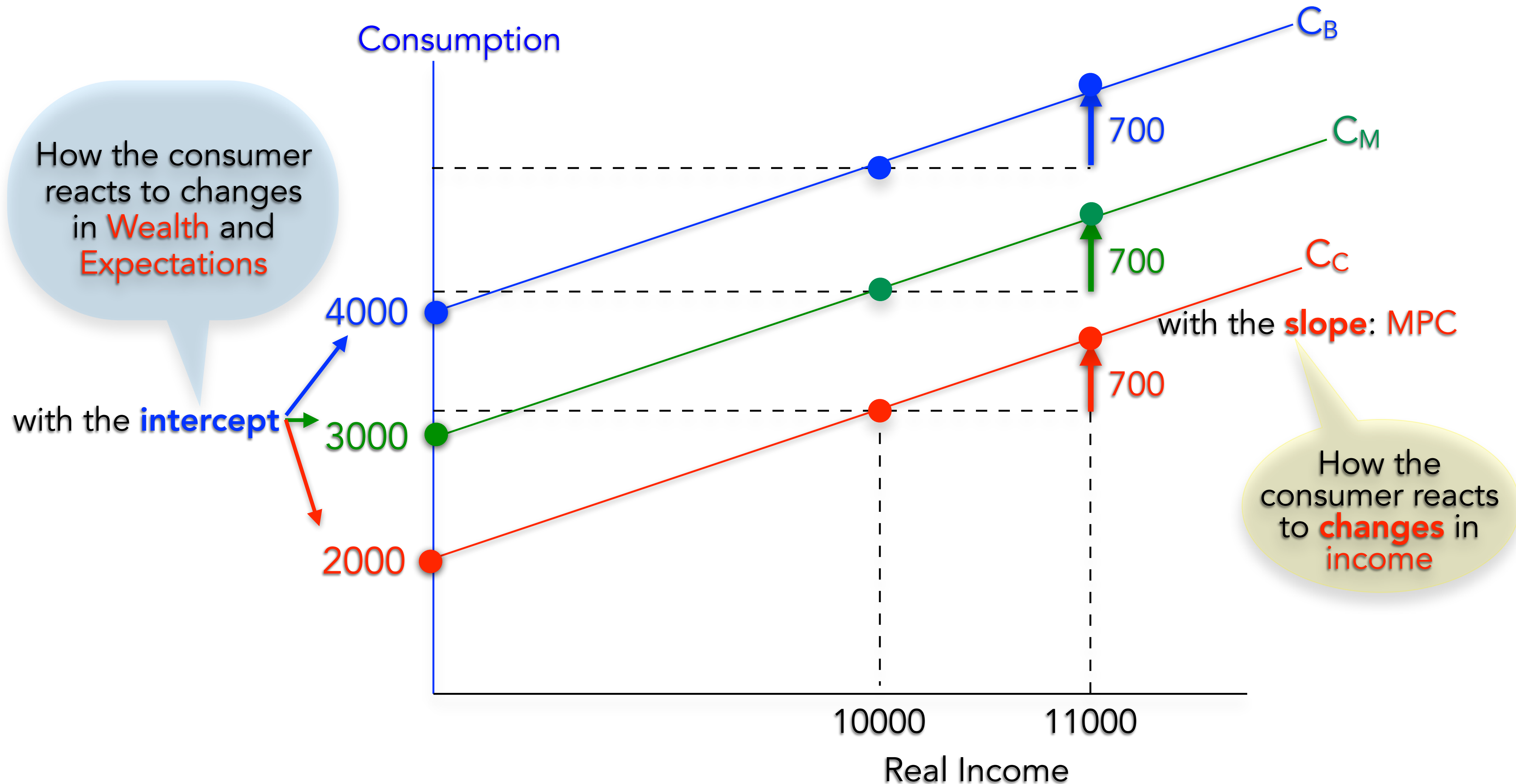
How the consumer
reacts to changes
in **Wealth** and
Expectations

with the **intercept**



with the slope: MPC

The Consumption Function shows



The Consumption Function