



1. Calculate MPC and the MPS
2. Calculate the intercepts of the Consumption and Savings Functions
3. For what value of  $Y$  is  $C = Y$ ?
4. For what value of  $Y$  is  $S = 0$ ?
5. If Income **increase** by 500 calculate the change in Consumption
6. If Income **increase** by 500 calculate the change in Savings
7. If Income **decrease** by 200 calculate the change in Consumption
8. If Income **decrease** by 200 calculate the change in Savings
9.  $C = 4000 + 0.9 \cdot Y$ . Consumers become pessimistic as a result of the pandemic and decrease their autonomous consumption by 500. The new Consumption function is:

# **INTRODUCING THE GOVERNMENT**