

Real Income
Billions

Consumption

5,000 - - - - -

$$2,750 + 750 = 3,500 - - - - -$$

$$1,250 + 750 = 2,000 - - - - -$$

1,250 - - - - -

$$3,500 + 750 = 4,250$$

2,000 + 750 = 2,750 - - - - -

[illegible]

1,000

2,000



3,000

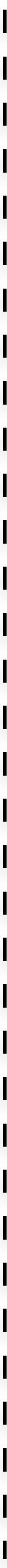
4,0000



5,000



6,000
















$$\Delta Y = 1,000$$




$$\Delta C = 1,000 * 0.75 = 750$$

MPC = **ΔC / ΔY**

MPC = 0.75

Using the slope

MPC


$$C = \text{intercept} + \text{MPC}Y$$

$\Delta C = \Delta Y^* MPC$

$$\Delta C = \Delta Y * 0.75$$


$$\Delta Y = 1,000$$




$$\Delta C = 1,000 * 0.75 = 750$$

$$\Delta Y = 1,000$$





$$\Delta C = 1,000 * 0.75 = 750$$

$$\Delta Y = 1,000$$




$$\Delta C = 1,000 * 0.75 = 750$$


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MPC



Consumption Billions

