

1

6

$$C = 500 + 0.9(10,000)$$

C

=

a

+

MPCY

$$C = 500 + 9,000$$

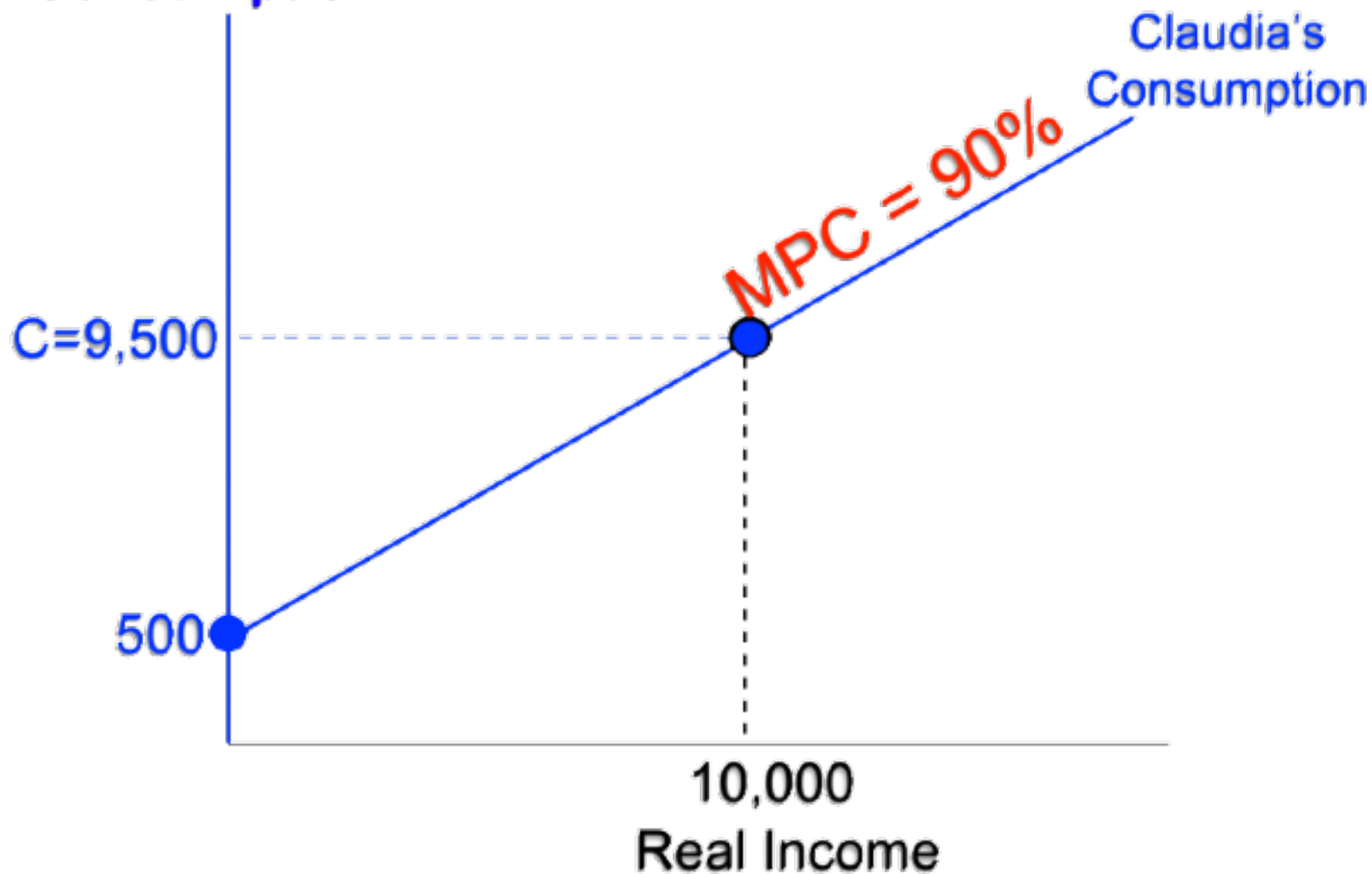
C = 9,500

Claudia's income is \$10,000/month autonomous consumption = \$500

and her MPC = 90%

As a result of the pandemic Claudia teaches only one class.
She now earns **\$2,000**. How will her Consumption change?

Consumption



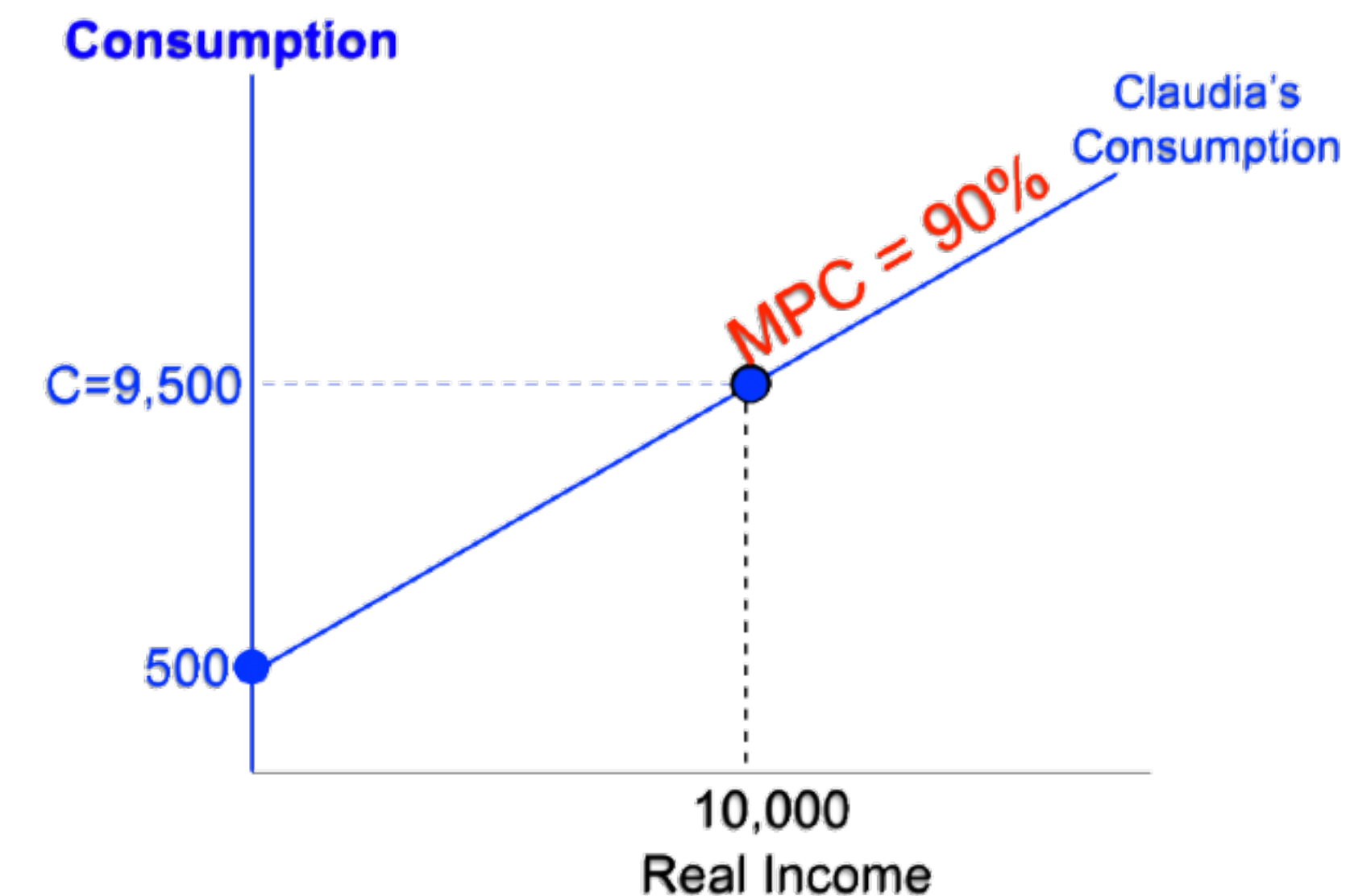
$$C = a + MPCY$$

Claudia's income is \$10,000/month autonomous consumption = \$500
and her MPC = 90%

$$C = 500 + 0.9(10,000)$$

$$C = 500 + 9,000$$

$$C = 9,500$$



As a result of the pandemic Claudia teaches only one class. She now earns **\$2,000**. How will her Consumption change?

$$C = a + MPCY$$

Claudia's old consumption

$$C = 500 + 0.9(10,000)$$

$$C = 500 + 9,000$$

$$C = 9,500$$

