

These observations can be described with a line

C

[REDACTED]

[REDACTED]











C

e

P





M

P



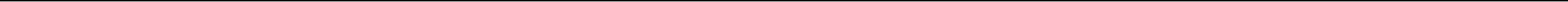
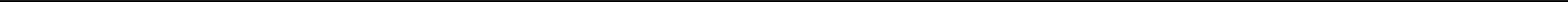
Y

To determine the line which contains these observations, we need to calculate **two** values:

The slope?

MPC

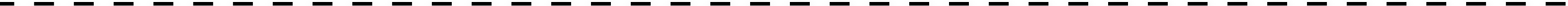




Real Income
Billions

St. Louis
Missouri
St. Louis
Missouri

5,000



3,500

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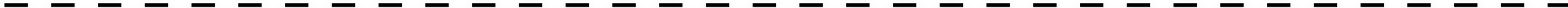
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1,250 - - - - -

4,250



2,750

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1
1
1

1,000

2,000



3,000

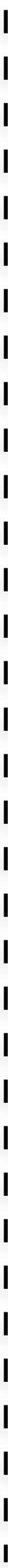
4,0000



5,000



6,000













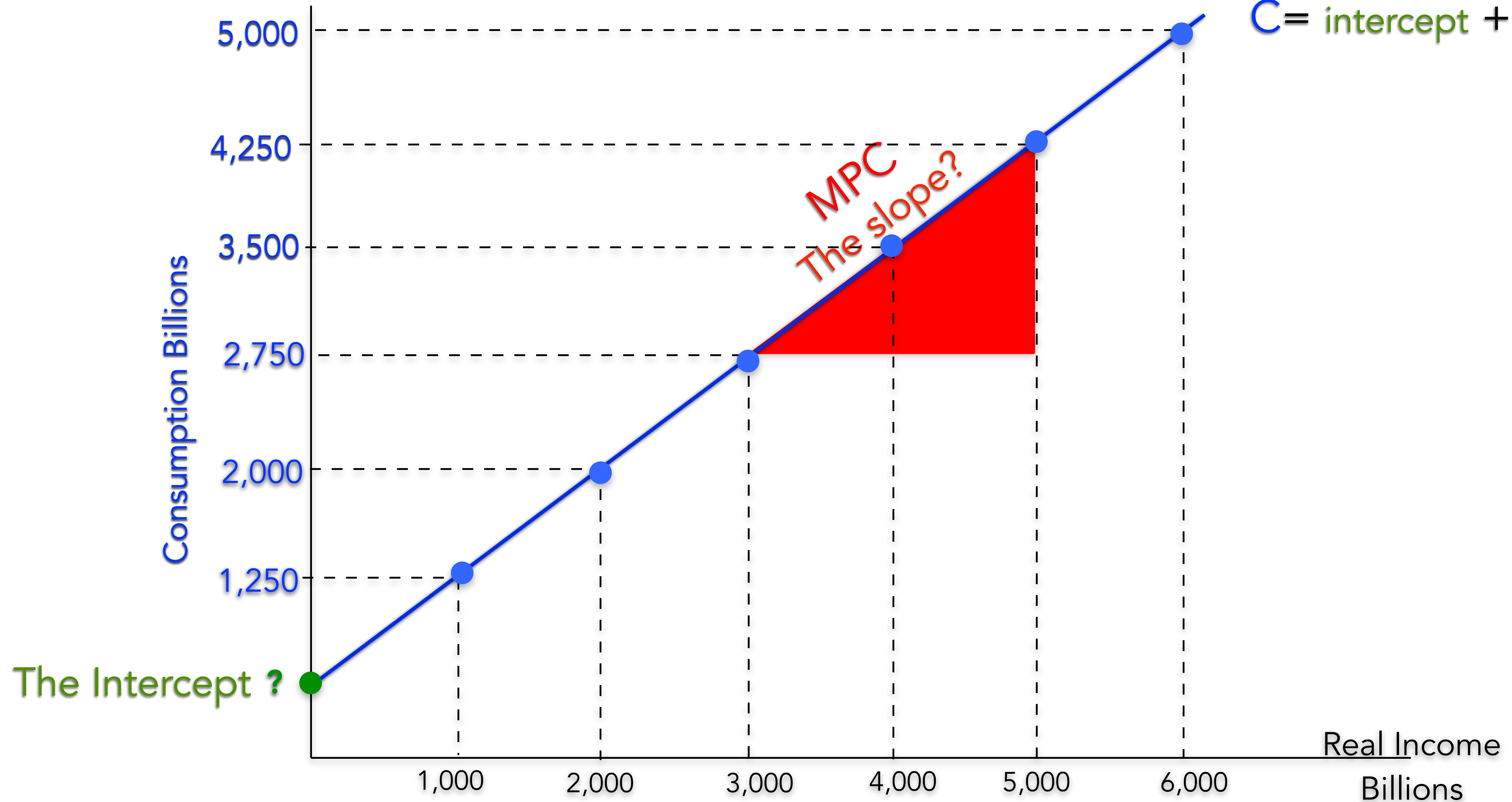


The Intercept

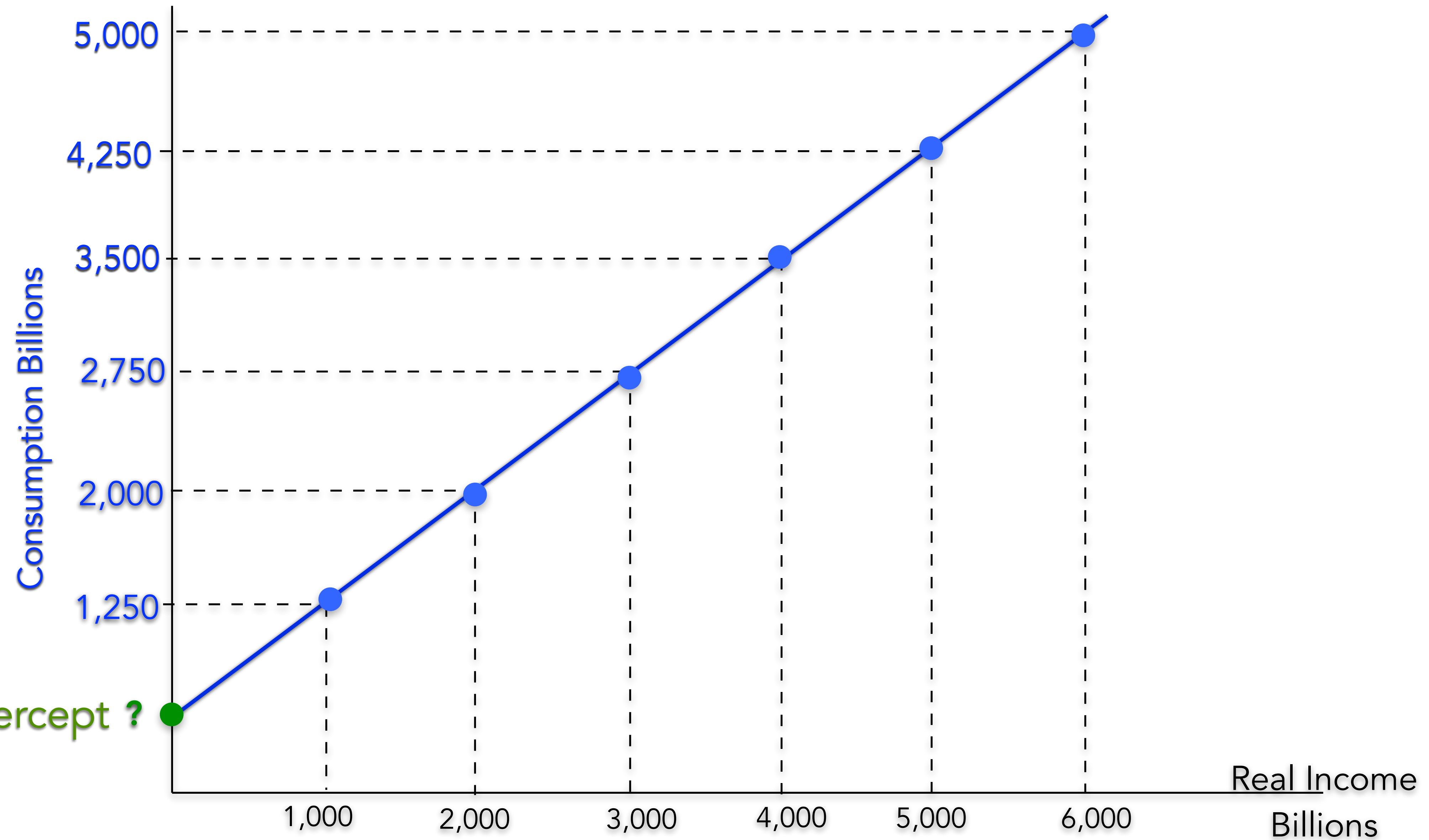


To determine the line which contains these observations, we need to calculate **two** values:

$$C = \text{intercept} + MPCY$$



Calculating the slope



The Intercept ?