





Co

So

Y = 12000

Y = 12000

Y = 13000

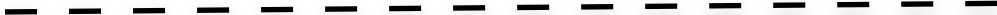
Y = 13000

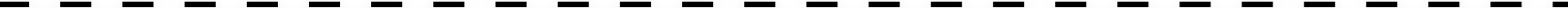




C = 11800

C=12700





1

2

3

4

5

6

7

8

9

10

11

12

13

14

15



Move UP Along C

Move UP Along S

Income (Y)

Wages

Profits

Interest

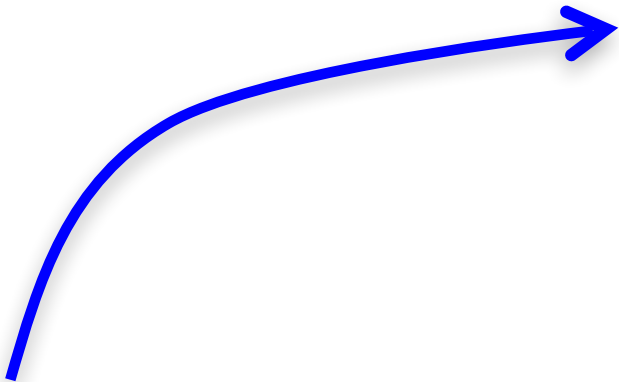
Rents



Consumption Increase

Savings Increase

Change in Income: Move along





Income



Income



$$S = 120000 - 118000 = 200$$

S

=

Y

-

C

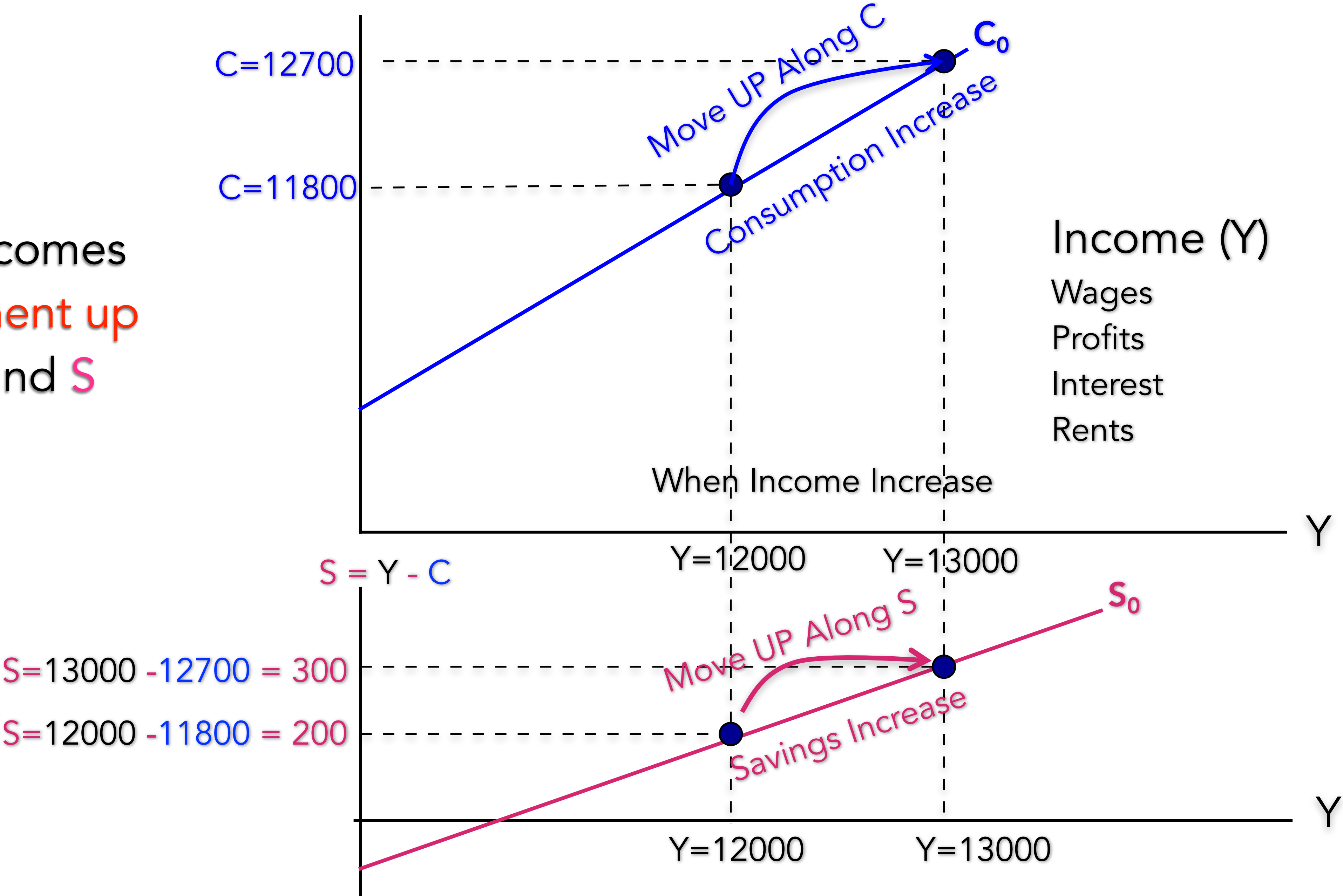
$$S = 130000 - 127000 = 300$$

An increase in Incomes
result in a movement up
along both: C and S

When Income Increase

Change in Income: Move along

An increase in Incomes
result in a **movement up**
along both: C and S



Shifts in the Consumption Line