

CC = 1000 + 0.9Y





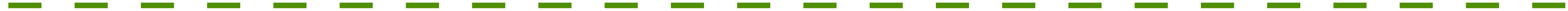












5,000

10,000

19,000

25,000

C = 4,6000

C = 9,1000

C = 17,200

C = 22,600

Y

$$CC = 1000 + 0.9 * 25,000$$

$$C = 1000 + 0.9 * 19,000$$

$$C = 1000 + 0.9 * 10,000$$



C = 4600



C = 9,100



C = 17,200



$C = 22,600$

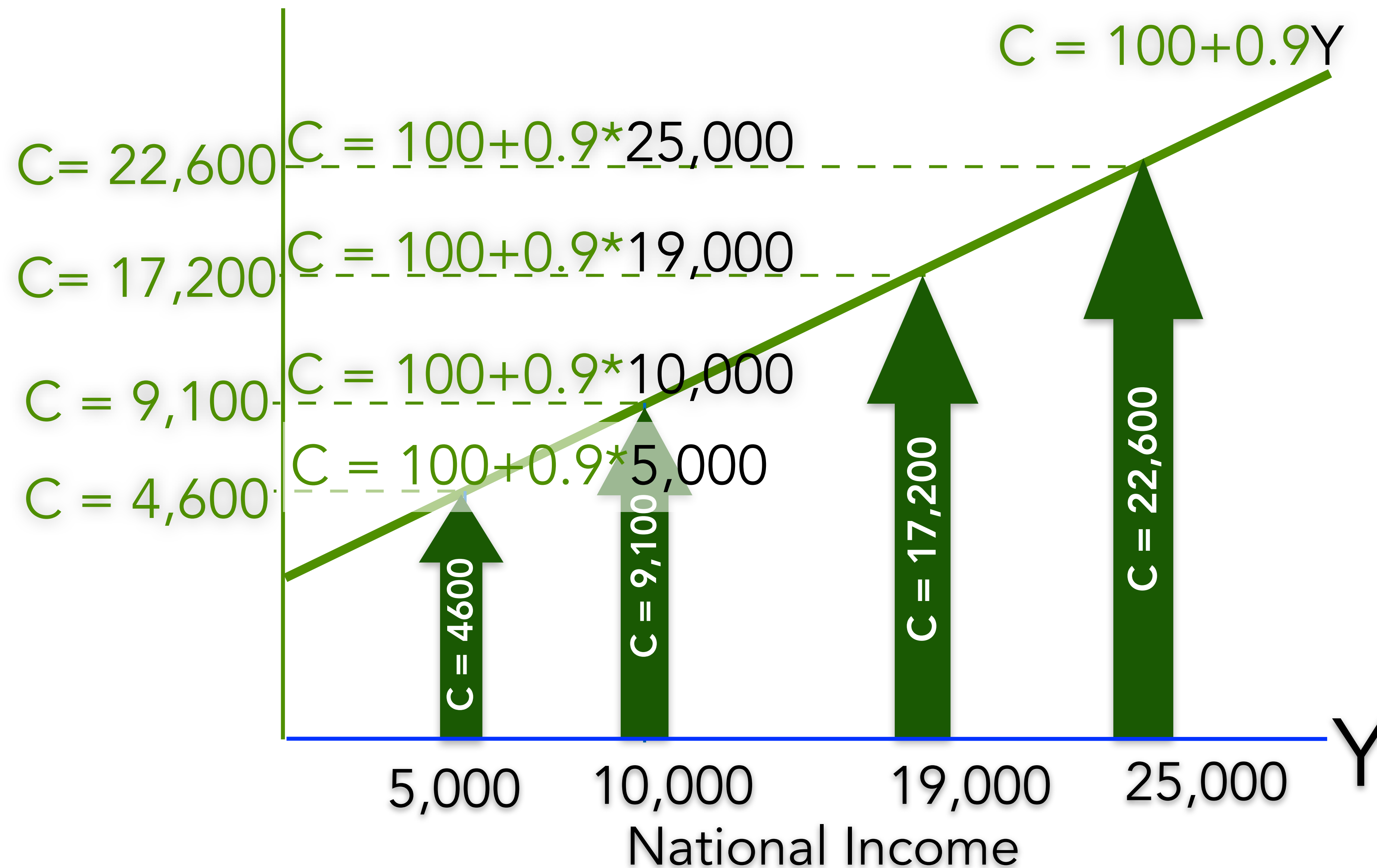
$$C = 1000 + 0.9 * 5,000$$



National Income

The **distance** to the **C** line is the amount of consumer spending for each value of Income

The **distance** to the **C** line is the amount of consumer spending for each value of Income



$$C = 100 + 0.9Y$$

$$G = 500 \text{ b}$$

$$I = 1,000 \text{ b}$$

$$M = 500 \text{ b}$$

$$X = 800 \text{ b}$$

$$NX = 800 - 500 = 300$$