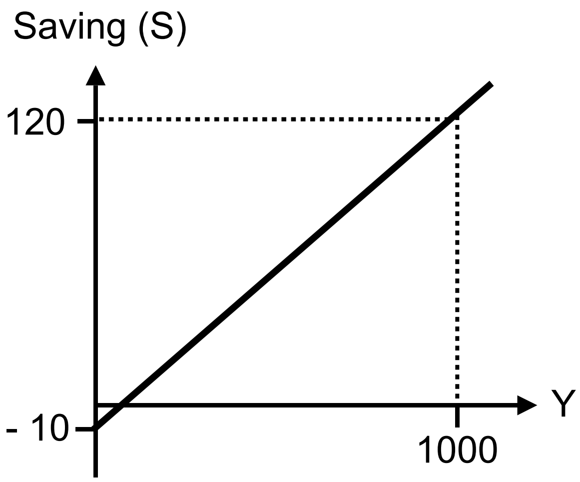
Saving function (E116a)

⇨ How does the **saving function** ($S = -a + bY$) look like if saving, depending on income, runs as follows:



Y = Income

- a = Saving if Y = 0 (→ dissaving)

b = Proportion of Y that is not consumed but saved.

→ Marginal propensity to save

Click here to get the answer!