1


Slope is defined as RISE over RUN:
RISE = 6"; RUN = 10"
SLOPE = RISE/RUN = 6"/10" = 0.6

5


How far will each piece of luggage fall as it reaches the end of the conveyer belt? Does the equation $y=m x+b$ help in finding the answer? Can you see the similarity of this problem to the preceding one?

2


What is the slope of the roof of this garage?

6


What is the marginal propensity to consume (MPC--represented in this equation by "b.")? How much would people spend on consumption goods even if their incomes temporarily fell to zero.

3


How tall is this evergreen tree? Can you use the defining equation SLOPE = RISE/RUN to solve for the RISE?

7


Find the MPC for this wholly private economy and write the equation that describes consumer behavior. How much do people spend on consumption when total income is 35? How much do they save? How much would the investment community have to spend for this economy to be in equilibrium when income is 35 ?

4


What is the slope of this line? Using the equation $y=m x+b$, plug in the value of the slope and the coordinates of either point to find the value of " $b$," which is the vertical intercept.

8


Consumption spending in this economy is described by the equation $C=30+0.6 Y$. Spending by the investment community is 34. What is the equilibrium level of income? How much are people saving? How much are they spending on consumption goods? Can you say whether or not the labor force is fully employed?

