

Solutions

Each answer shows the steps, then the **result**.

2.1

- $MPS = 1 - 0.75 = 0.25$

2.2

- $\frac{1}{1 - 0.8} = \frac{1}{0.2} = 5$

2.3

- $\Delta GDP = 5 \times 10 = \50 billion

3.1 A

3.2 B

3.3

(a)

- $\frac{1}{1 - 0.9} = \frac{1}{0.1} = 10$

(b)

- $\Delta GDP = 10 \times 5 = \50 billion