

## The Spending Multiplier Formula Drill Set 3

1. New consumer spending is \$200, MPC is .95, how much spending will occur altogether?
2. Taxes increase by \$75 and MPS is 25%, how will  $\Delta Y$ ?
3.  $\Delta G = \$65$  billion and MPC is .8, what is  $\Delta Y$ ?
4.  $\Delta T = -400$  billion and the MPC = .9, what is  $\Delta Y$ ?
5.  $\Delta G = 200$  billion dollars and MPS is 25%, what is the  $\Delta Y$ ?
6. New investment is 7 billion dollars and MPC is 90%, how much spending will occur altogether?
7. New investment is \$800 and the  $\Delta Y$  is 4000 dollars, what is k?
8.  $\Delta Y$  is \$4500 and MPC is .5, what was the  $\Delta I_g$ ?
9. Both taxes and government spending increase by \$500, how will  $\Delta Y$ ?
10. Taxes are cut by \$100 and  $\Delta Y$  increases by \$300, what is t?