

Answer on Question #40861 - Economics - Macroeconomics

First of all, we have to calculate the level of consumption, using the given function:

$$C = \$800 + 0.6Y_d$$

where Y_d - disposable income = \$2000

$$C = \$800 + 0.6 * \$2000 = \$2000$$

$$Y_d = C + S$$

So, the level of saving is

$$S = Y_d - C = \$0$$