	Consumption Problem Solutions
	(6) Wealth         200,000           (7) Consumption         50,000           (8) Net Income         0           (9) Saving         50,000           (10) Assets, End of Period         50,000
KENT STATE	Lectures in Macroeconomics- Charles W. Upton











	(1)	
(1) Initial Assets	0	
(2) Interest Income	0	
(3) Financial Net Worth	0	
(4) Wage Income	0	
5) PV of Wage Income	200,000	
6) Wealth	200,000	
7) Consumption	50,000	
(8) Net Income	0	
(9) Saving	50,000	
10) Assets, End of Period	50,000	

Period 2					
<ol> <li>(1) Initial Assets</li> <li>(2) Interest Income</li> <li>(3) Financial Net Worth</li> </ol>	(1) 0 0 0	(2) 50,000 50,000 100,000	(3) 0 0 0	(4) 200,000 200,000 400,000	
<ul><li>(4) Wage Income</li><li>(5) PV of Wage Income</li><li>(6) Wealth</li><li>(7) Consumption</li></ul>	200,000 200,000 50,000	200,000 400,000 300,000 100,000	400,000 400,000 400,000 200,000	0 0 400,000 400,000	
(8) Net Income (9) Saving (10) Assets, End of Period	0 50,000 50,000 sumption- Pro	150,000 50,000 0	400,000 200,000 200,000	200,000 200,000 0	

F	erioc	12		
	(1)	(2)	(3)	(4)
(1) Initial Assets	0	50,000	0	200,00
(2) Interest Income	0	50,000	0	200,00
(3) Financial Net Worth	0	100,000	0	400,00
(4) Wage Income	0	200,000	400,000	
(5) PV of Wage Income	200,000	400,000	400,000	
(6) Wealth	200,000	300,000	400,000	400,00
(7) Consumption	50,000	100,000	200,000	400,00
(8) Net Income	0	150,000	400,000	200,00
(9) Saving	50,000	50,000	200,000	200,00
(10) Assets, End of Period	50,000	0	200,000	
NT STATE Con	Solutions	obiem		

F	Period	12		
	(1)	(2)	(3)	(4)
(1) Initial Assets	0	50,000	0	200,000
(2) Interest Income	0	50,000	0	200,000
(3) Financial Net Worth	0	100,000	0	400,000
(4) Wage Income	0	200,000	400,000	0
(5) PV of Wage Income	200,000	400,000	400,000	0
(6) Wealth	200,000	300,000	400,000	400,000
(7) Consumption	50,000	100,000	200,000	400,000
(8) Net Income	0	150,000	400,000	200,000
(9) Saving	50,000	50,000	200,000	200,000
(10) Assets, End of Period	50,000	0	200,000	0
ENT STATE Cor	Solutions	biem		10

F	Period	13		
	(1)	(2)	(3)	(4)
<ol><li>Initial Assets</li></ol>	0	50,000	0	200,00
(2) Interest Income	0	50,000		200,00
(3) Financial Net Worth	0	100,000	0	400,00
(4) Wage Income	0	200,000	.00,000	
(5) PV of Wage Income	200,000	400,000	400,000	
(6) Wealth	200,000	300,000	400,000	400,00
(7) Consumption	50,000	100,000	200,000	400,00
(8) Net Income	0	150,000	400,000	200,00
(9) Saving	50,000	50,000	200,000	200,00
(10) Assets, End of Period	50,000	• •	200,000	
NTSTATE	Solutions	biem		

Р	eriod	3		
	(1)	(2)	(3)	(4)
(1) Initial Assets	0	50,000	0	200,000
(2) Interest Income	0	50,000	0	200,000
(3) Financial Net Worth	0	100,000	0	400,000
(4) Wage Income	0	200,000	400,000	0
(5) PV of Wage Income	200,000	400,000	400,000	0
(6) Wealth	200,000	300,000	400,000	400,000
(7) Consumption	50,000	100,000	200,000	400,000
(8) Net Income	0	150,000	400,000	200,000
(9) Saving	50,000	50,000	200,000	200,000
(10) Assets, End of Period	50,000	0	200,000	0
KENT SIALE	Solutions			

(1)	(2)	(3)	(4)
0	50,000	0	200,00
0	50,000	0	200,00
0	100,000	0	400,00
0	200,000	400,000	
200,000	400,000	400,000	
200,000	300,000	400,000	400,00
50,000	100,000	200,000	400,00
0	150,000	400,000	200,00
50,000	50,000	200,000	200,00
50,000	0	200,000	
	0 0 200,000 200,000 50,000 0 50,000 50,000 umption-Pr Solutions	(1)         (2)           0         50,000           0         50,000           0         200,000           0         200,000           200,000         400,000           200,000         300,000           50,000         100,000           0         150,000           50,000         50,000           50,000         0           umption-Problem           Solutions	(1)         (2)         (3)           0         50,000         0           0         50,000         0           0         200,000         400,000           200,000         400,000         200,000           200,000         400,000         200,000           200,000         300,000         400,000           50,000         100,000         200,000           0         150,000         400,000           50,000         50,000         200,000           0         150,000         400,000           50,000         50,000         200,000           umption- Problem         Solutions

	Period 4						
ſ		(1)	(2)	(3)	(4)		
	(1) Initial Assets	0	50,000	0	200,000		
	(2) Interest Income	0	50,000	0	200,000		
ļ	(3) Financial Net Worth	0	100,000	0	400,000		
	(4) Wage Income	0	200,000	400,000	0		
	(5) PV of Wage Income	200,000	400,000	400,000	0		
	(6) Wealth	200,000	300,000	400,000	400,000		
	(7) Consumption	50,000	100,000	200,000	400,000		
ľ	(8) Net Income	0	150,000	400,000	200,000		
	(9) Saving	50,000	50,000	200,000	200,000		
	(10) Assets, End of Period	50,000	0	200,000	0		
KE	VT STATE Cor	Solutions	biem		14		



Th	e Sol	ution	L	
	(1)	(2)	(3)	(4)
<ol><li>Initial Assets</li></ol>	0	52,500	10,000	170,000
(2) Interest Income	0	52,500	10,000	170,000
(3) Financial Net Worth	0	105,000	20,000	340,000
(4) Wage Income	0	200,000	400,000	80.000
(5) PV of Wage Income	210,000	420,000	440,000	0
(6) Wealth	210,000	315,000	420,000	420.000
(7) Consumption	52,500	105,000	210,000	420,000
(8) Net Income	0	147 500	390,000	250.000
(9) Saving	52 500	42,500	180,000	170,000
(10) Assets, End of Period	52,500	10,000	170,000	(
NT STATE Co	nsumption- Pr	roblem	,	

The	e Sol	lu	ition		
	(1)	1	(2)	(3)	(4)
<ol> <li>Initial Assets</li> </ol>		0	52,500	10,000	170,00
(2) Interest Income		0	52,500	10,000	170,00
(3) Financial Net Worth		0	105,000	20,000	340,00
(4) Wage Income		0	200,000	400,000	80,0
(5) PV of Wage Income	210,00	0	420,000	440,000	
(6) Wealth	210,00	0	315,000	420,000	420,00
(7) Consumption	52,50	0	105,000	210,000	420,00
(8) Net Income		0	147,500	390,000	250,00
(9) Saving	52,50	0	42,500	180,000	170,00
(10) Assets, End of Period	52,50	0	10,000	170,000	
NT STATE Con	Solution	Proi IS	biem		

