

# **Broadway Economics**

*“Teaching Economics Through Musical Theatre”*

## **Discussion Questions for “The Moneygoround”**

- 1.) Define the multiplier effect. What factors is the size of the multiplier dependent upon?
- 2.) How is the multiplier effect illustrated in “The Moneygoround”?
- 3.) If consumption increases by sixty cents for each additional dollar of income, what is the MPC (Marginal Propensity to Consume)?
- 4.) Using the MPC value you solved for in #3, calculate the spending multiplier. What does this value tell us?