

Name _____

Mathematics 205: Linear Algebra
Fall Semester 2004
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Quiz #6
September 17

Suppose an economy has only two sectors, Goods and Services. Each year, Goods sells 70% of its output to services and keeps the rest, while Services sells 60% of its output to Goods and keeps the rest. Find equilibrium prices for the annual outputs of the Goods and Services sectors that make each sector's income match its expenditures.