$I_R + I_F = \Pi$

Since all profit is saved, $\Pi = S$

Also, $\frac{\Pi}{Y} = \frac{S}{Y} = s_¿$

Therefore, $I_R + I_F = \Pi = S$

2. If a fraction of profit is distributed and all consumed, nothing changes except,

$I_R + I_F = Undistributed\ \Pi = s_c \Pi$

3. Assume, $\frac{S}{Y} = \frac{\Pi}{Y} = h = constant$

Initial investment multiplier

$1 + (1-h) + (1-h)^2 + \ldots$

$\frac{1}{1-(1-h)} = \frac{1}{h} = \frac{1}{s}$

i.e. output increased by $\frac{1}{h}$,

$\frac{1}{h} - \frac{1}{h}(1-h) = ¿\frac{1}{h}[1-1+h] = 1 = saving$

Therefore equilibrium is achieved through a multiplier process,

$I = S$ also see that $I \Longrightarrow S$