

## Unit 04

### Exercise 05 - Calculating Elasticity for a New Product Launch

Your Student's ID 

**Scenario:** A tech company has launched a new tablet in the market, and the marketing team is analyzing how sensitive consumers are to price changes. The company recorded the following sales data at two different price points:

- Initial Price: \$300
- Initial Quantity Sold: 12,000 units
- New Price: \$450
- New Quantity Sold: 9,000 units

Using this data, calculate the price elasticity of demand for the tablet using the **midpoint** method.

**Your Answers to score full marks:**

1. Show how you calculated the percentage change in price:

2. Show how you calculated the percentage change in quantity demanded:

3. Show how you calculated the price elasticity of demand: