

## ECO5002 Introduction to Economics

### Quiz 1

(Total Points: 30pts, Due on August 1<sup>st</sup>, 2025)

Suppose that the demand curve is

$$Q^D = \frac{1}{P}.$$

1. **(15pts)** Use the midpoint method to calculate the price elasticity of demand between the point  $(Q_1^D, P_1) = (1, 1)$  and the point  $(Q_2^D, P_2) = (0.5, 2)$ .

2. **(15pts)** Is the price elasticity of demand constant at every point on this curve?