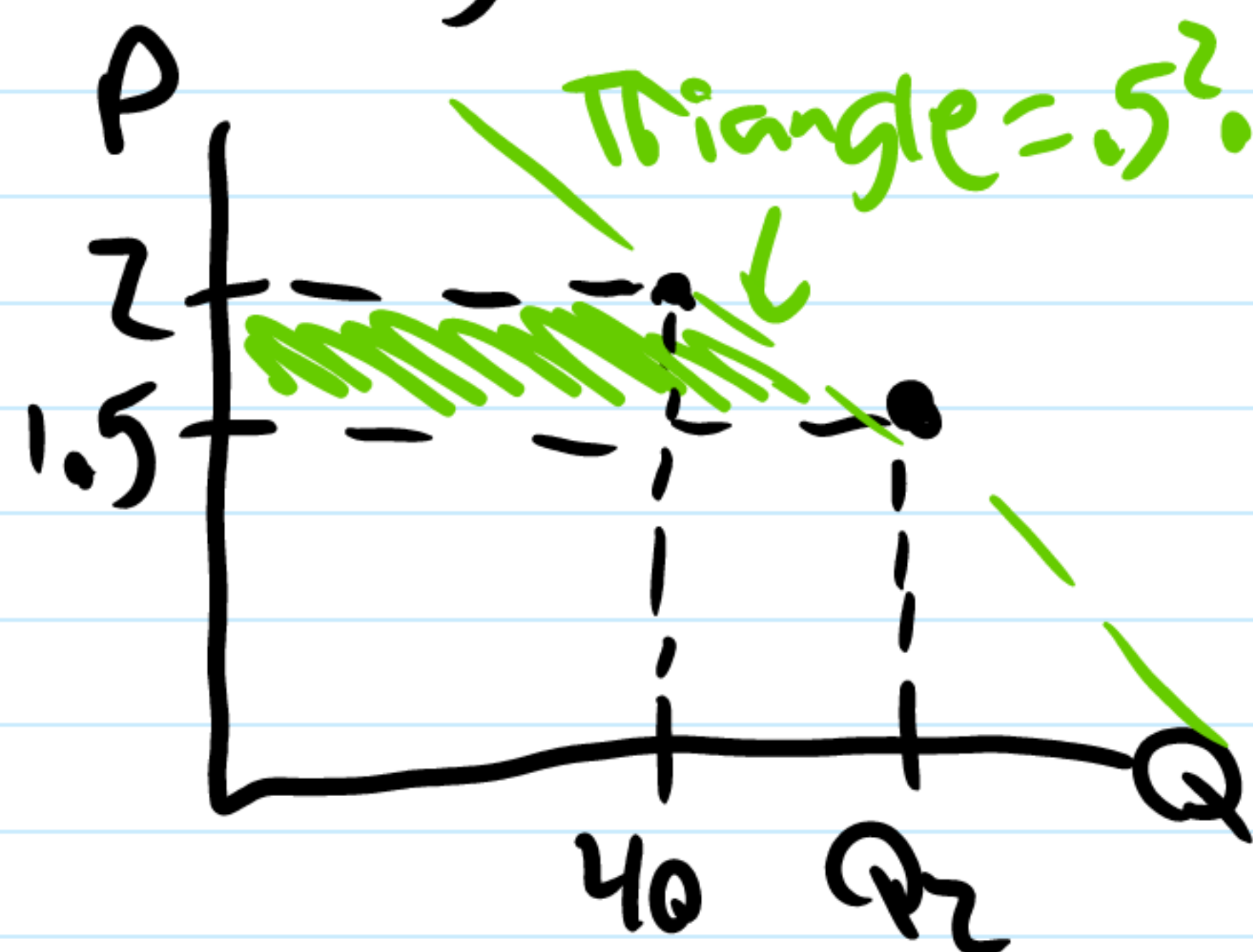


3.4 Elasticity to monetize an impact

Tuesday, August 25, 2020

8:41 PM

Using Elasticity to Value impacts on Consumers



$$\Delta CS = 2\frac{1}{6}$$

$$(2 - 1.5) \cdot 4 = 2$$

$$\frac{1}{2} (2 - 1.5) (Q_2 - 40)$$

$$30 \approx -1/2$$

$$\frac{\Delta Q}{\Delta P} = \frac{Q_2 - 41}{1.5 - 2} = -1/2$$

$$Q_2 - 41 =$$