Interpreting PED Values

The Size of PED Varies From 0 To Infinity (∞) & Is Classified As Follows

Value	Name	Explanation	Diagram
0	Perfectly Inelastic	The QD is completely unresponsive to a change in P (very theoretical value e.g. heart transplant is extremely inelastic but possibly not perfectly)	PRICE A (E) DEMAND P. Q. QUANTITY DEMANDED
0→1	Relatively Inelastic	The %∆ in QD is less than proportional to the %∆ in P (e.g. addictive products)	PRICE A (E) P ₂ DEMAND Q ₂ Q ₁ QUANTITY DEMANDED
1	Unitary Elasticity	The %∆ in QD is exactly equal to the %∆ in P	PRICE A (5) P ₂ DEMAND O Q ₃ Q ₄ QUANTITY DEMANDED
1→∞	Relatively Elastic	The %∆ in QD is more than proportional to the %∆ in P (e.g. luxury products)	PRICE A (E) P ₁ DEMAND Q ₁ Q ₂ Q ₃ QUANTITY DEMANDED
00	Perfectly Elastic	The %∆ in QD will fall to zero with any %∆ in P (highly theoretical elasticity)	PRICE ↑ (£) P DEMAND QUANTITY DEMANDED