

2.5 Elasticity of Demand

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10:57 PM

$$dq/dp$$

$$\} = \% \Delta q / \% \Delta p < 0$$

$$\} = \Delta q / q / \Delta p / p \rightarrow \text{point elasticity}$$

$$q = ap^3$$

$$\frac{dq}{dp} = 3ap^{3-1}$$