

Elasticity

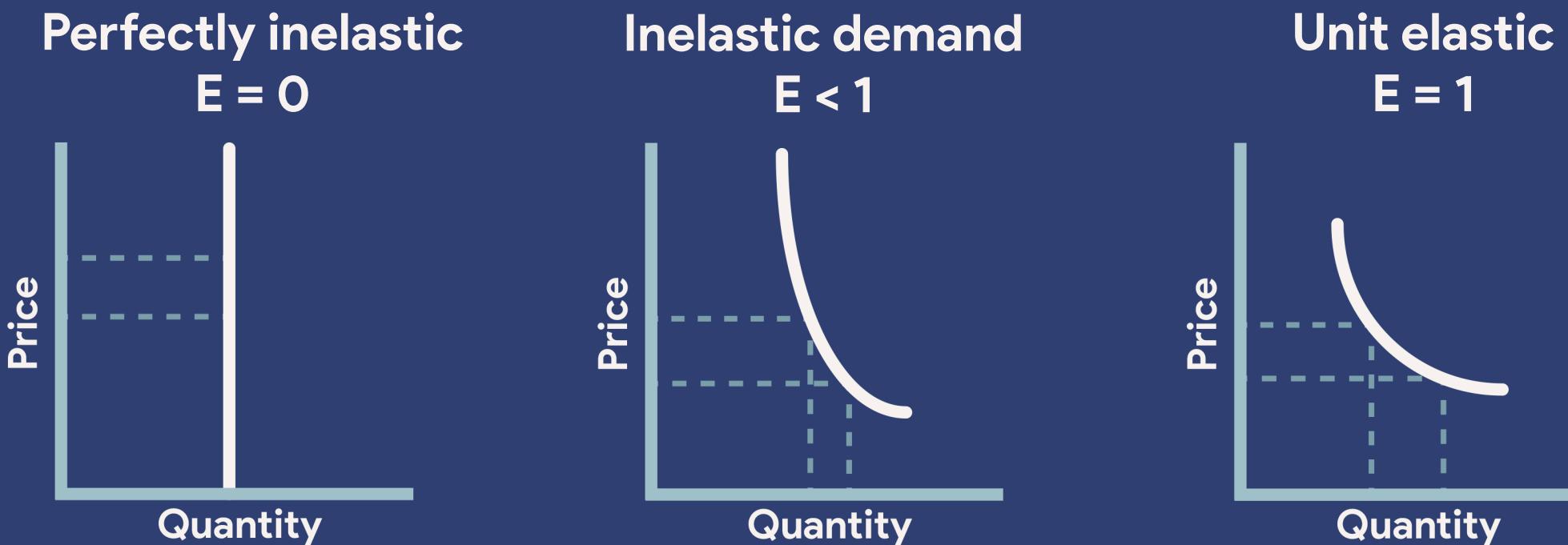
A measure of how responsive buyers demanding quantities and sellers supplying quantities are to changes in the market conditions.

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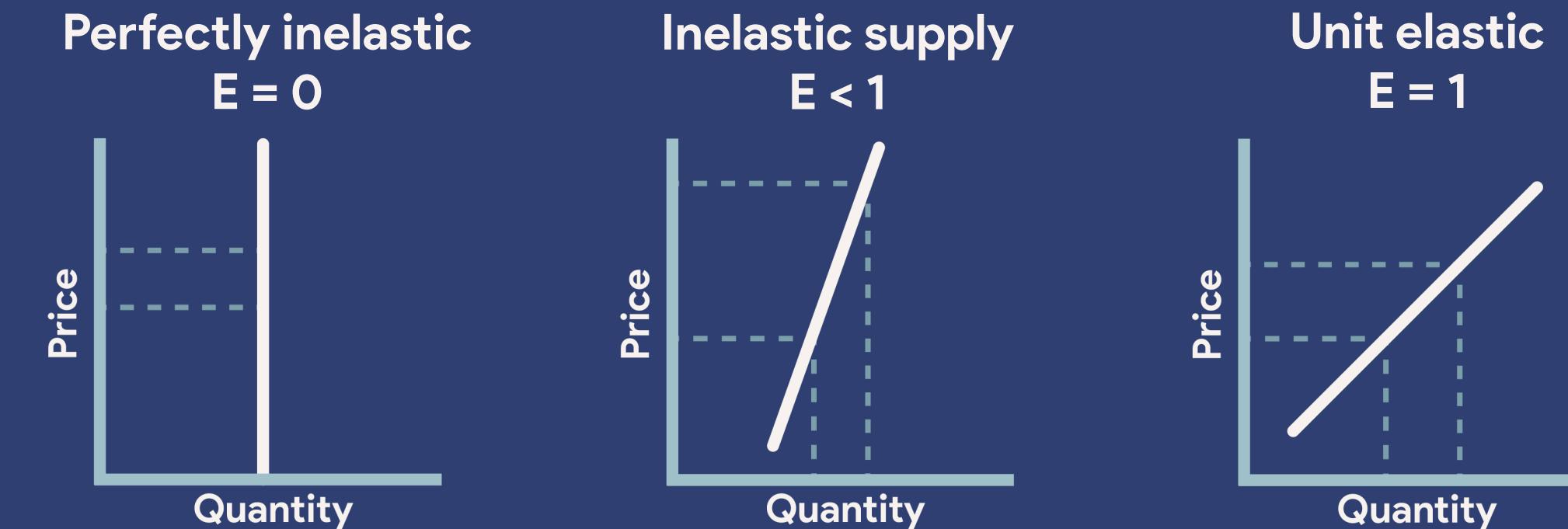
Price Elasticity

In business and economics, price elasticity refers to the degree to which individuals, consumers, or producers change their demand or the amount supplied in response to price or income changes.

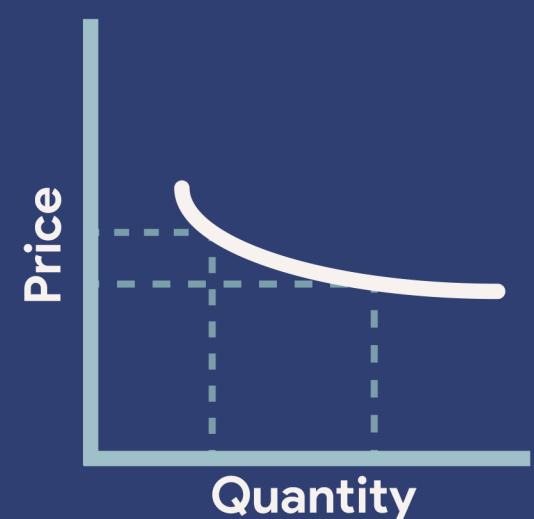
Price elasticity of demand



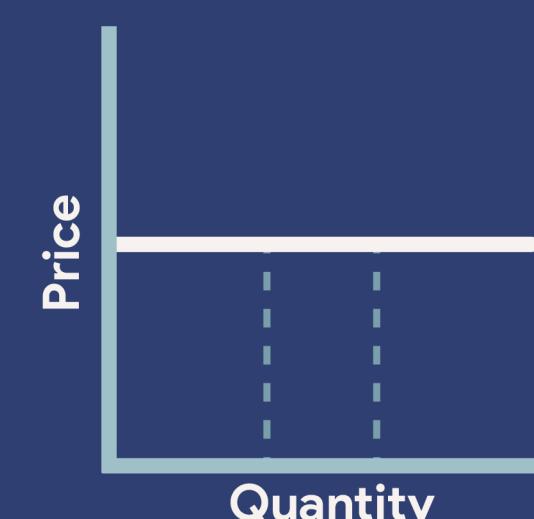
Price elasticity of supply



Elastic demand $E > 1$



Perfectly inelastic $E = \infty$



Elastic supply $E > 1$



Perfectly inelastic $E = \infty$

