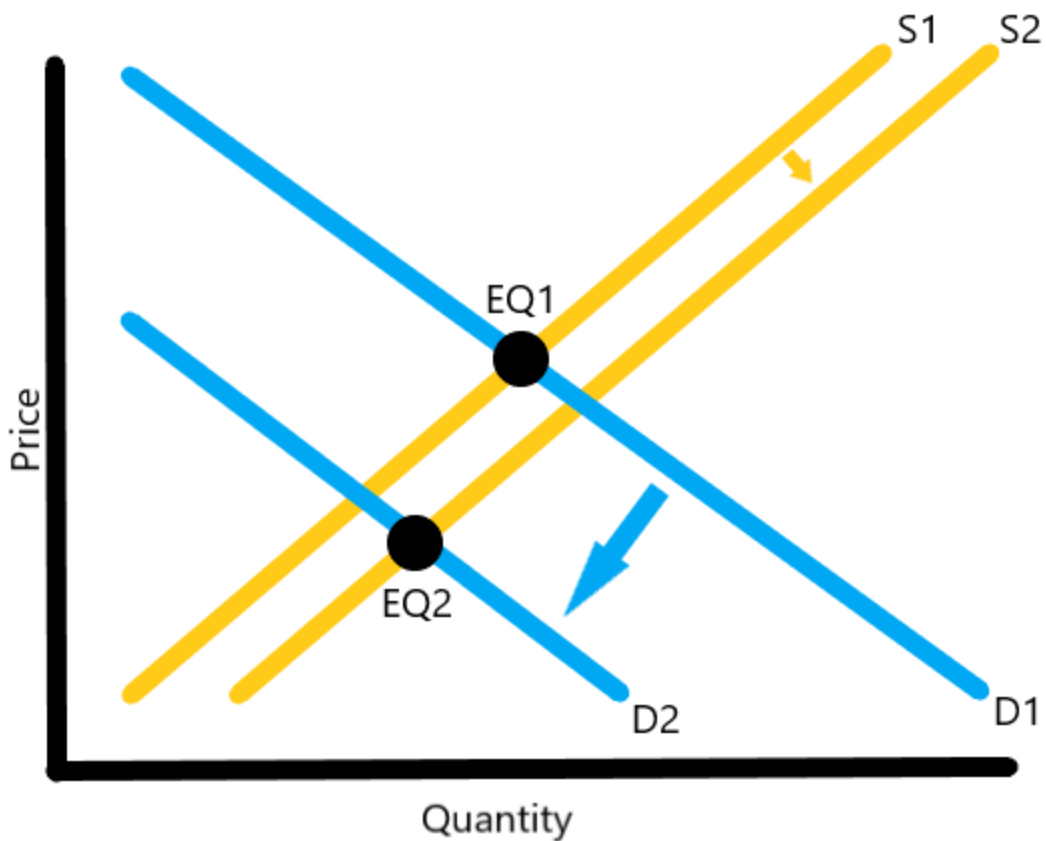
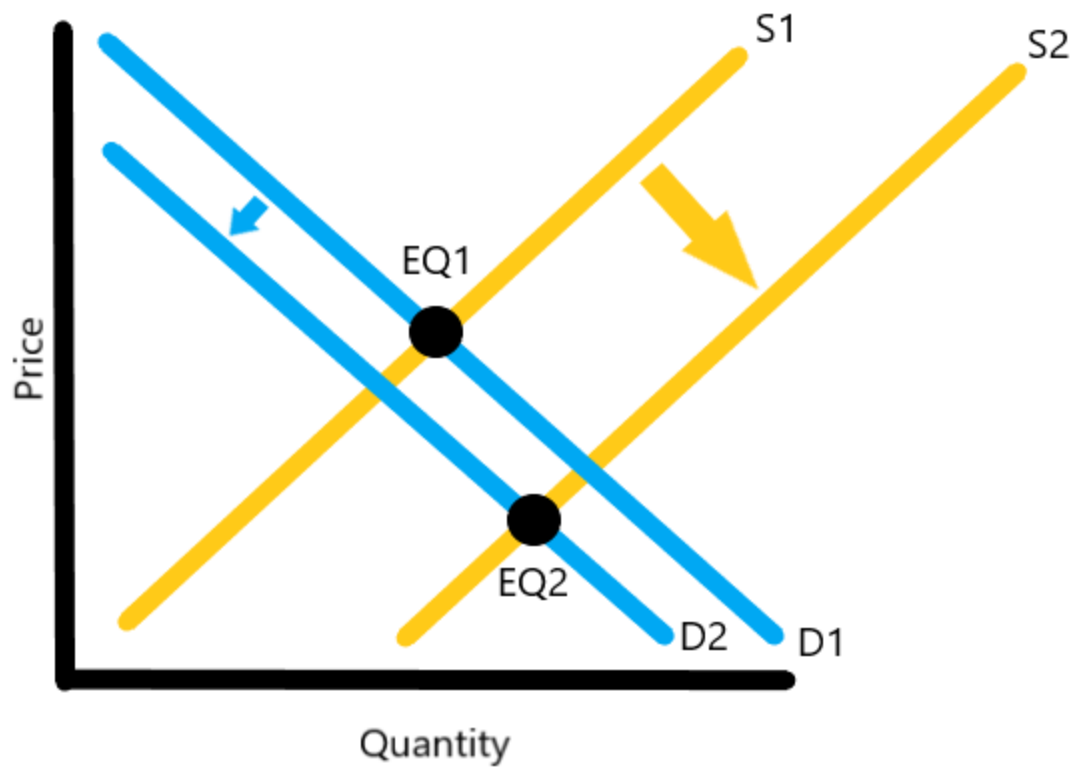


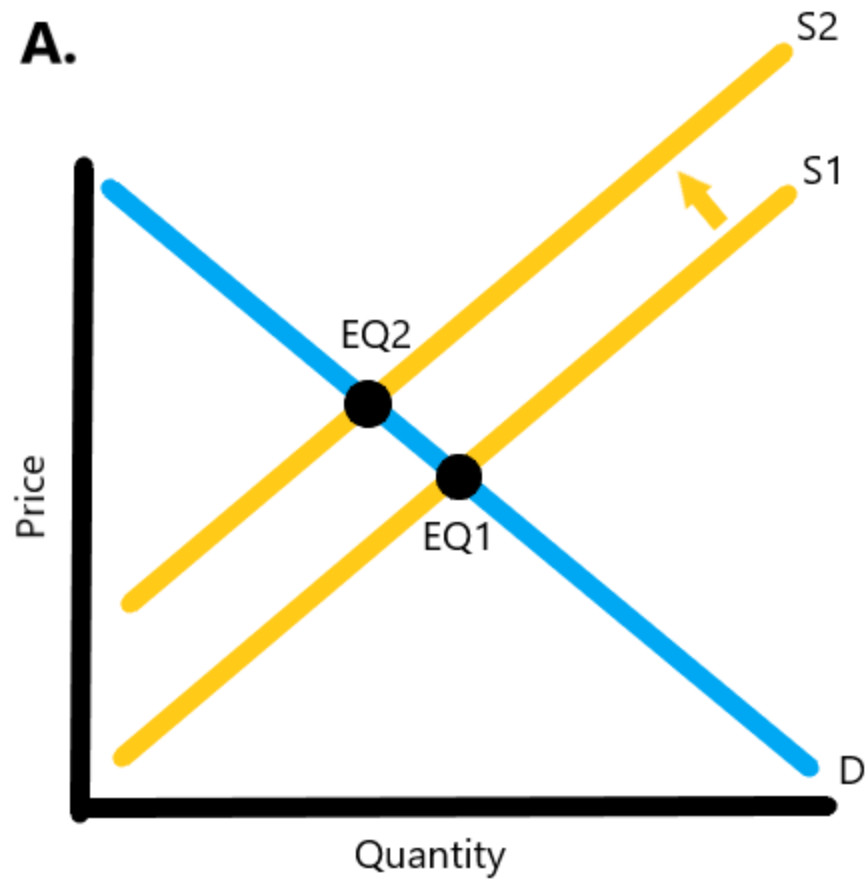
A.



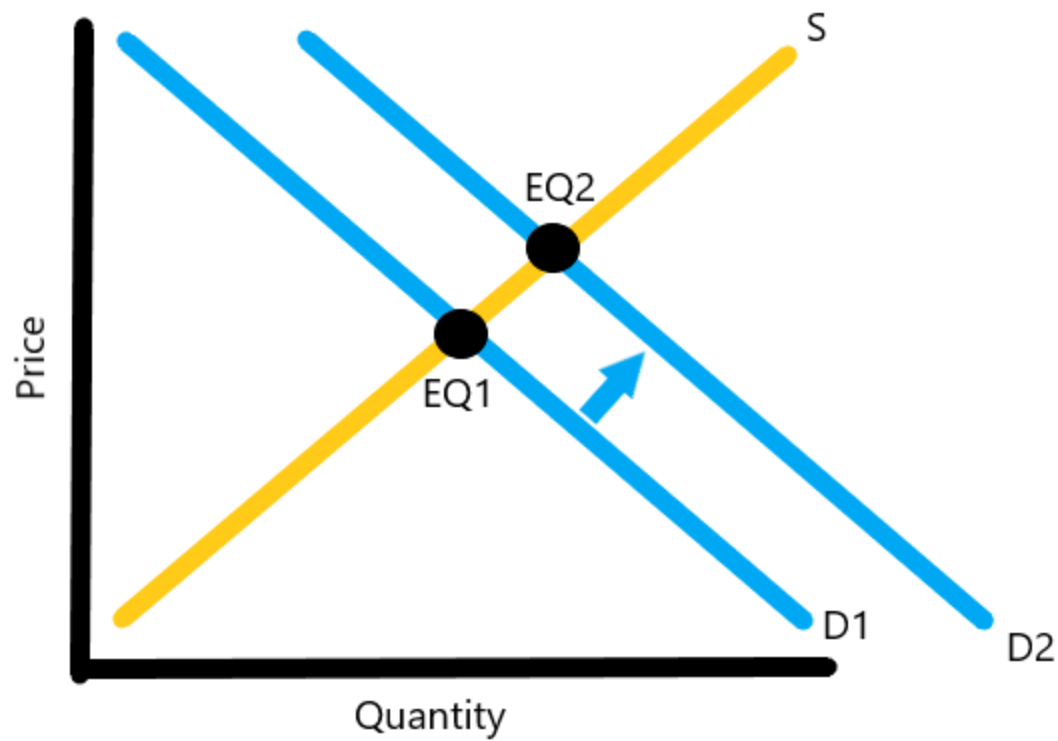
B.



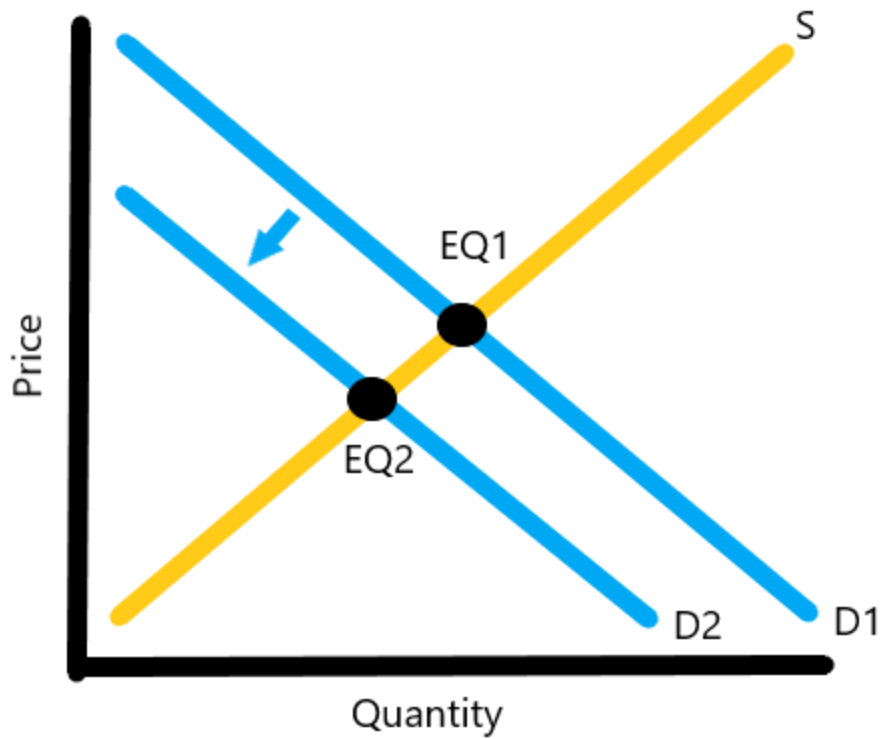
A.



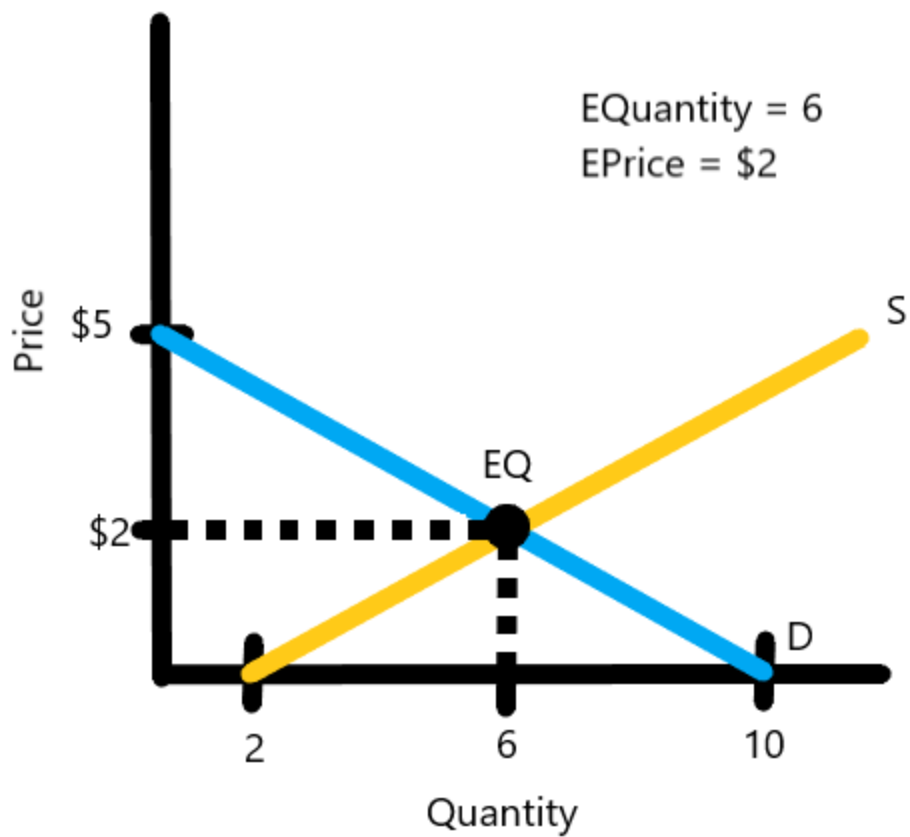
B.



C.



3.



A.

$$\frac{(Q_2 - Q_1) / ([Q_2 + Q_1] / 2)}{(P_2 - P_1) / ([P_2 + P_1] / 2)}$$

$$(2000000000 - 2200000000) / ([2000000000 + 2200000000] / 2)$$

$$(4.26 - 3.42) / ([4.26 + 4.26] / 2)$$

$$\frac{-9.5}{21.9} = |-0.43|$$

$$\frac{-9.5}{21.9} = |-0.43|$$

Price is inelastic

B.

$$\text{TR}_{2014} = 22000000000 * \$3.42$$

$$\text{TR}_{2014} = \$7.524 \text{ billion}$$

$$\text{TR}_{2015} = 20000000000 * 4.26$$

$$\text{TR}_{2015} = \$8.52 \text{ billion}$$

C.

The bad harvest resulted in an increase in the total revenue of the U.S. wheat farmers.

This could have been predicted by the price elasticity being less than 1.