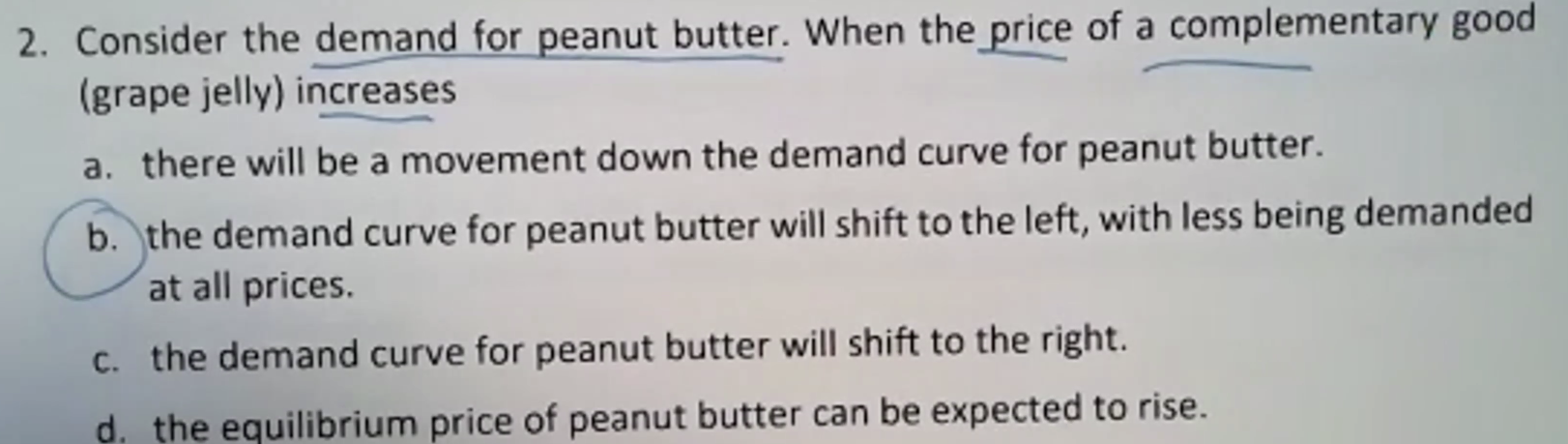
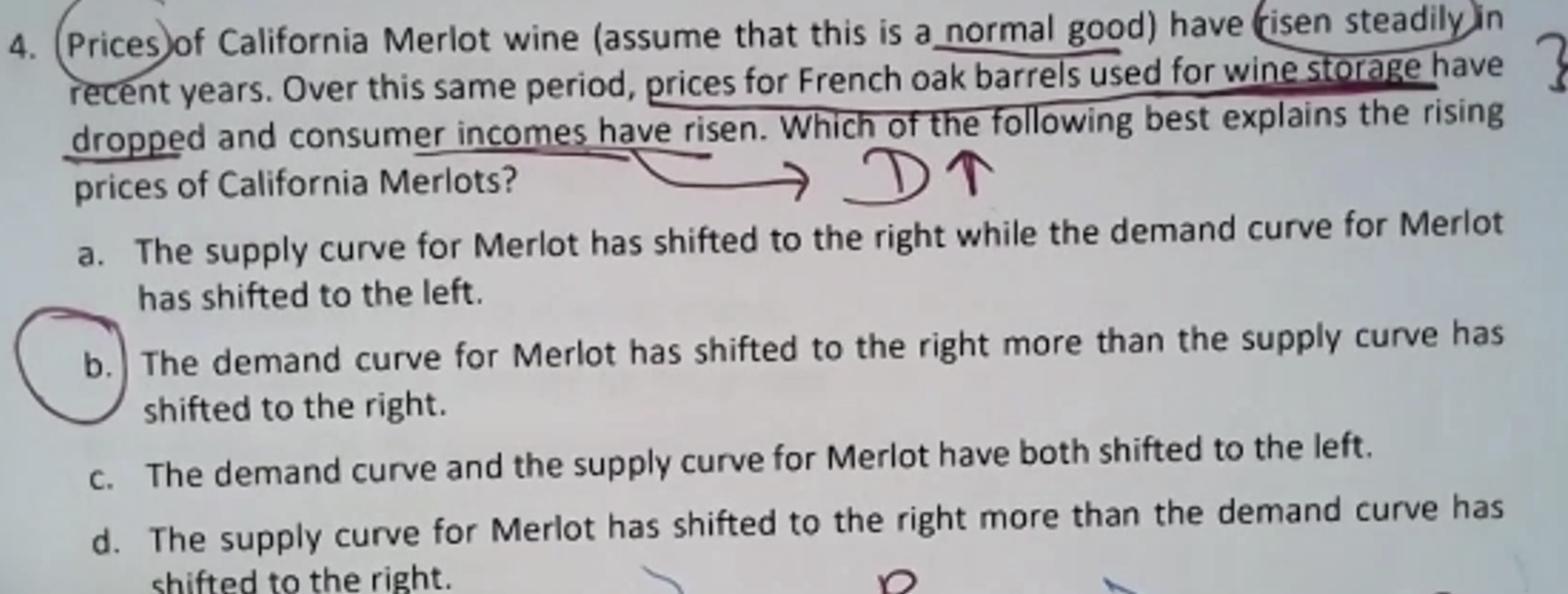
Text, letter

Description automatically generated



A close up of text on a whiteboard

Description automatically generated



A picture containing diagram

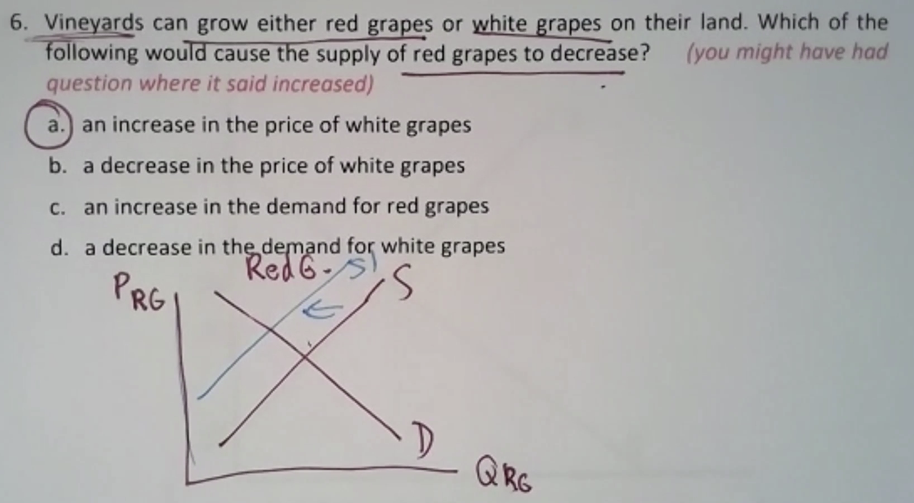
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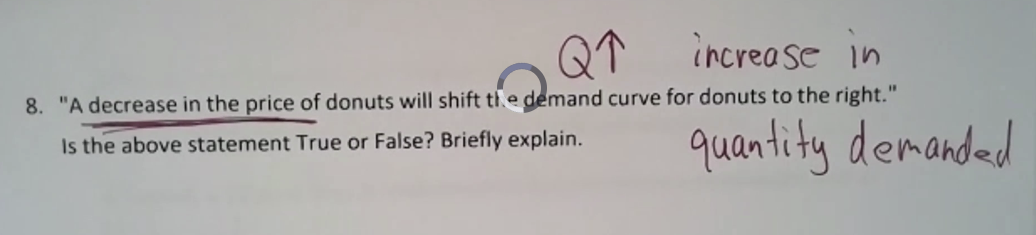
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Text

Description automatically generated



Diagram

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Diagram

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Outline:

* The Price Elasticity of Demand and Its Measurement
* The Determinants of the Price Elasticity of Demand
* The Relationship between the Price Elasticity of Demand and Total Revenue

Price Elasticity of Demand

* Elasticity: *Percentage change in one variable resulting from a 1-percent increase in another.*
* Price Elasticity of Demand: *Percentage change in quantity demanded of a good resulting from a 1-percent increase in its price.*

Text, whiteboard

Description automatically generated

Graphical user interface, application

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**Diagram, text, whiteboard

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**Determinants of Income Elasticity**

Income elasticities also differ from the short run to the long run.

* For most goods and services—foods, beverages, fuel, entertainment, etc.— the income elasticity of demand is larger in the long run than in the short run.
* For a durable good, the opposite is true. The short-run income elasticity of demand will be much larger than the long-run elasticity.

Table

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Description automatically generated

Chapter 11

Outline

* Production Technology
* Short Run vs. Long Run
* Measuring Cost: Which Costs Matter?
* Cost in the Short Run vs. Long Run
* Economies of Scale

A picture containing graphical user interface, text, application

Description automatically generated

Graphical user interface, text, application, email

Description automatically generated

Graphical user interface, text, application

Description automatically generated

Graphical user interface, text

Description automatically generated

Chart, line chart

Description automatically generated

Diagram

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Diagram

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