











a) Cars

b) Imported cars

c) German cars

d) German Red Cars

e) BMW red convertibles

Which good has a more elastic demand?

Which good has more substitutes?

a) Ben & Jerry's Chocolate low fat ice cream.

b) Lowfat ice cream

c) Ice cream

d) Frozen desserts

e)

Desserts

Which good is more specific?

Has more substitutes:
other brands, other
colors, other types

It's a very **specific** good:
brand specific, color
specific, type specific

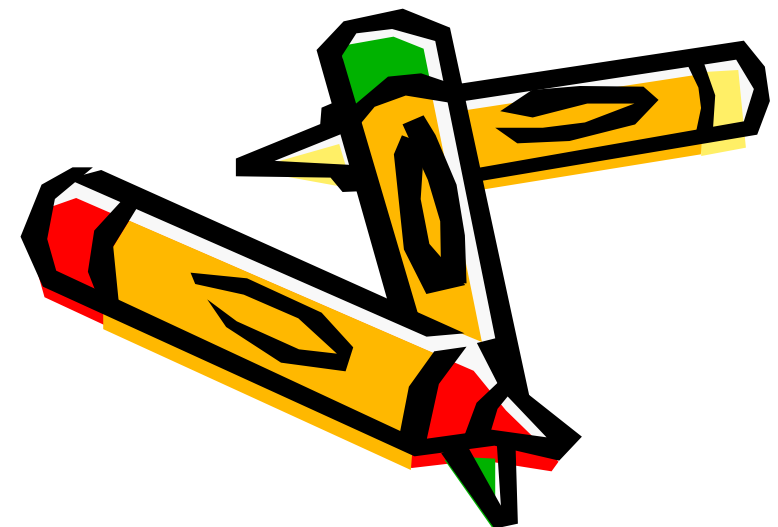
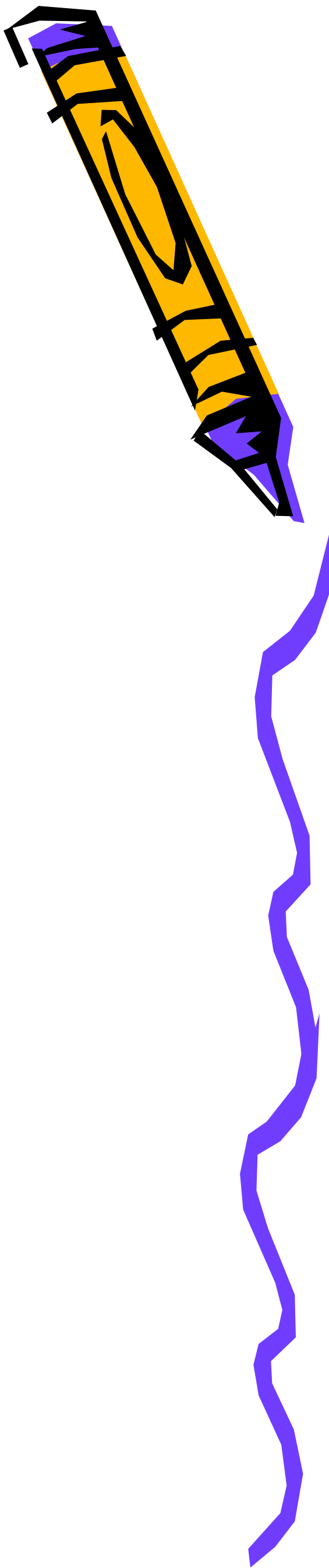
Has a more elastic
demand

Which good has a more **elastic** demand?

Which good has more **substitutes**?

Which good is more **specific**?

- a) Ben & Jerry's Chocolate low fat ice cream.
- b) Low fat ice cream
- c) Ice cream
- d) Frozen desserts
- e) Desserts



What Determines the
Elasticity?

