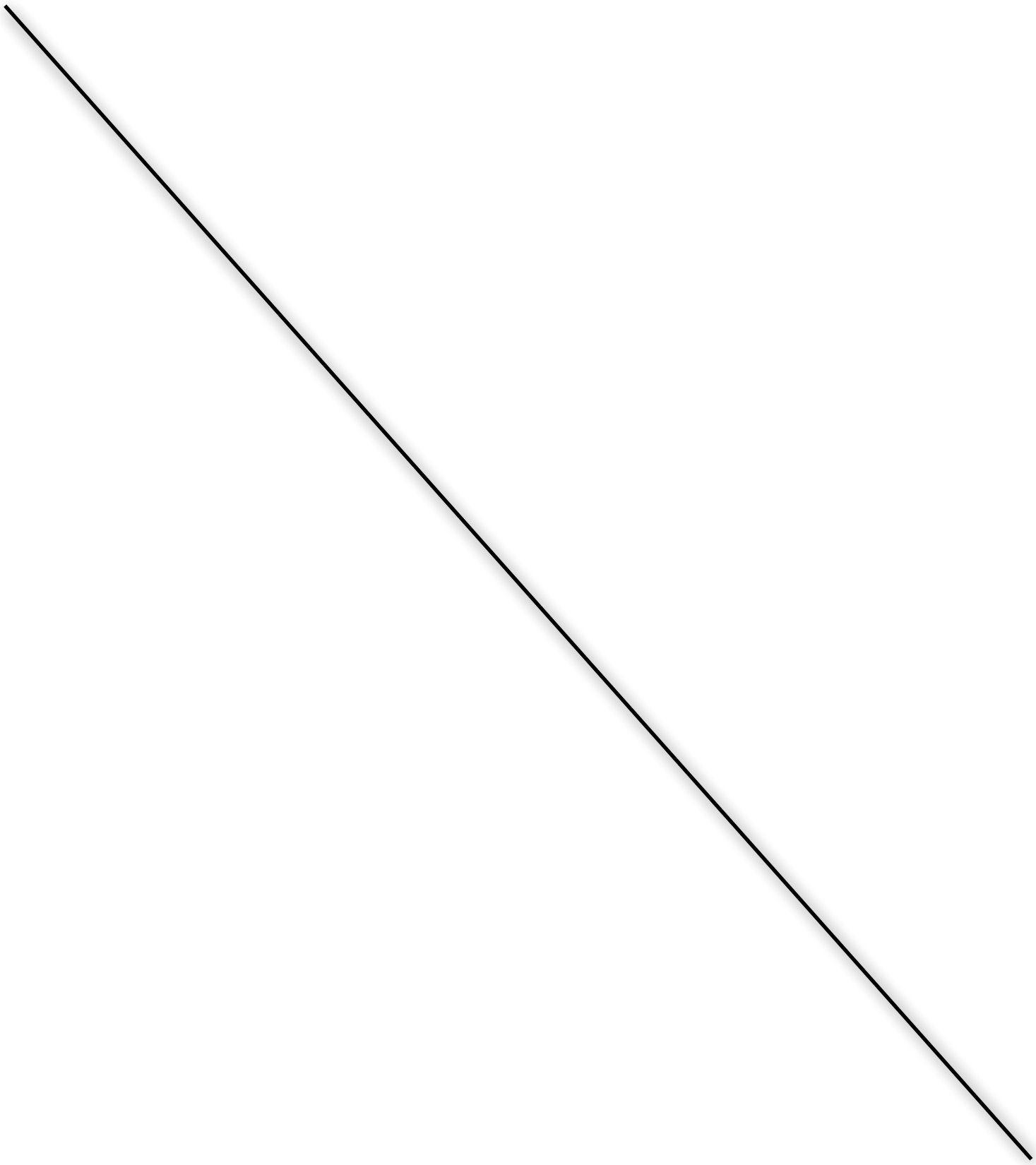




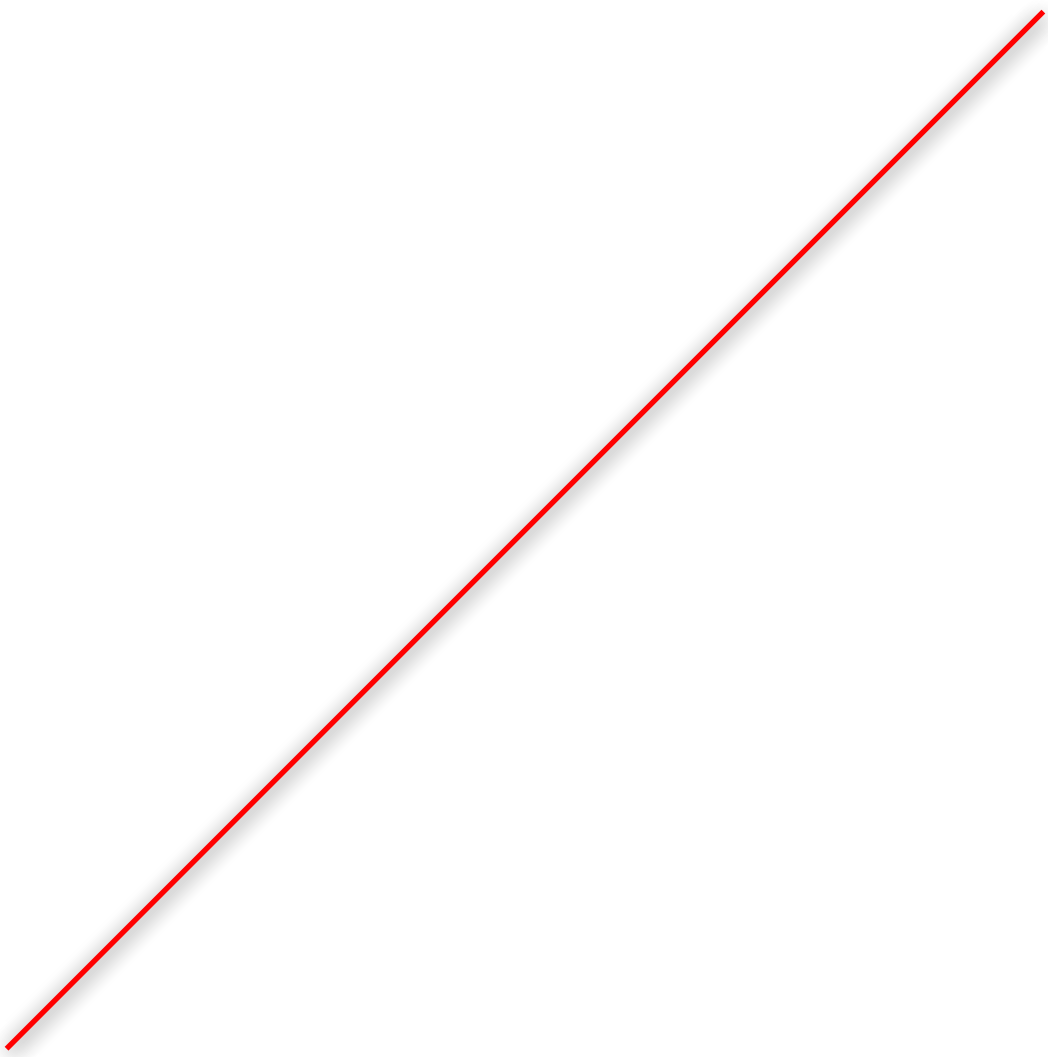
Midpoint













Total
Revenue
Before

Ω_1

P₁

Q₀

P₀

Do

So

S₁





TR increase

$e=1$



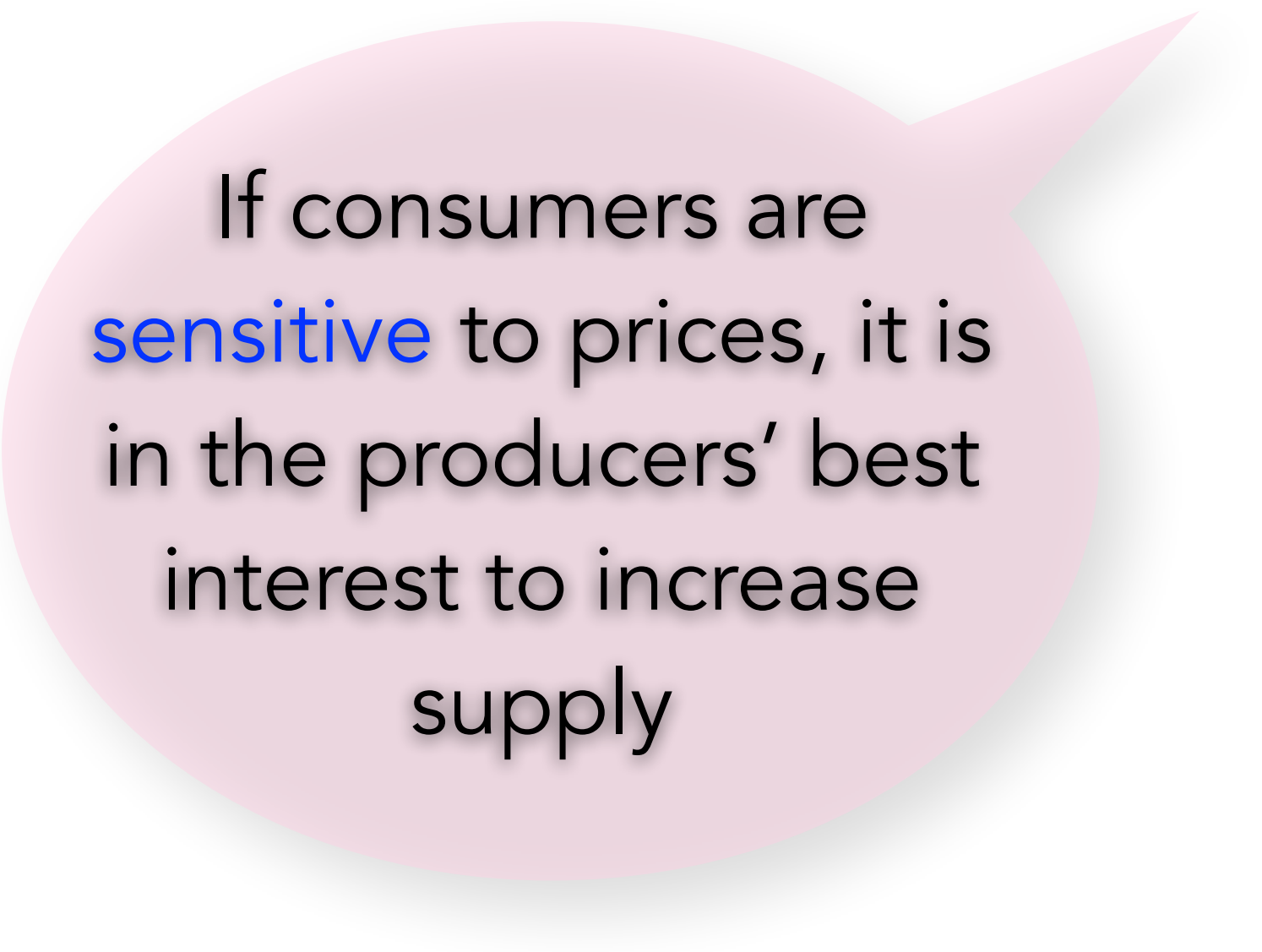


Total
Revenue
After

Gain

Beccause

Increasing Supply, cause a decrease in price and an increase in Q^d

A large, light pink speech bubble with a pointed tail pointing towards the top right corner of the image. The bubble has a soft shadow on the white background.

If consumers are
sensitive to prices, it is
in the producers' best
interest to increase
supply

Increasing Supply, cause an increase in Total Revenue for producers if demand is elastic ($e > 1$)

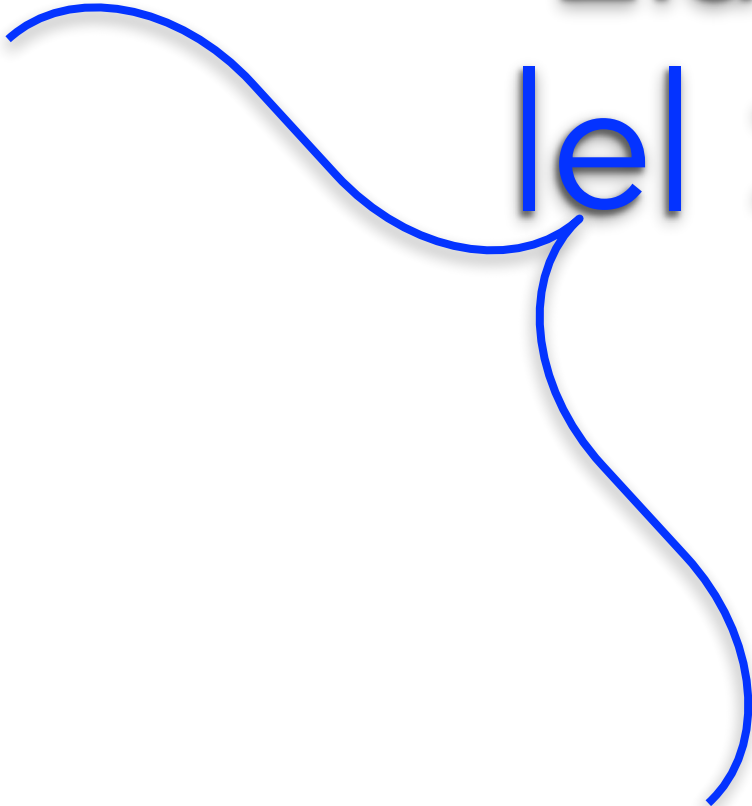
Loss

Gain

Loss

Elastic

$$|e| > 1$$

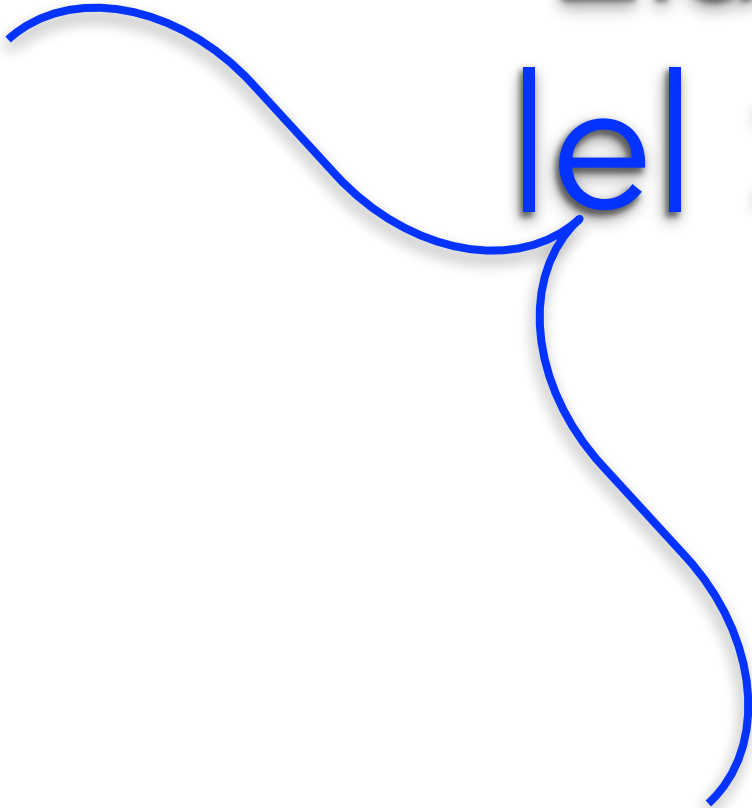


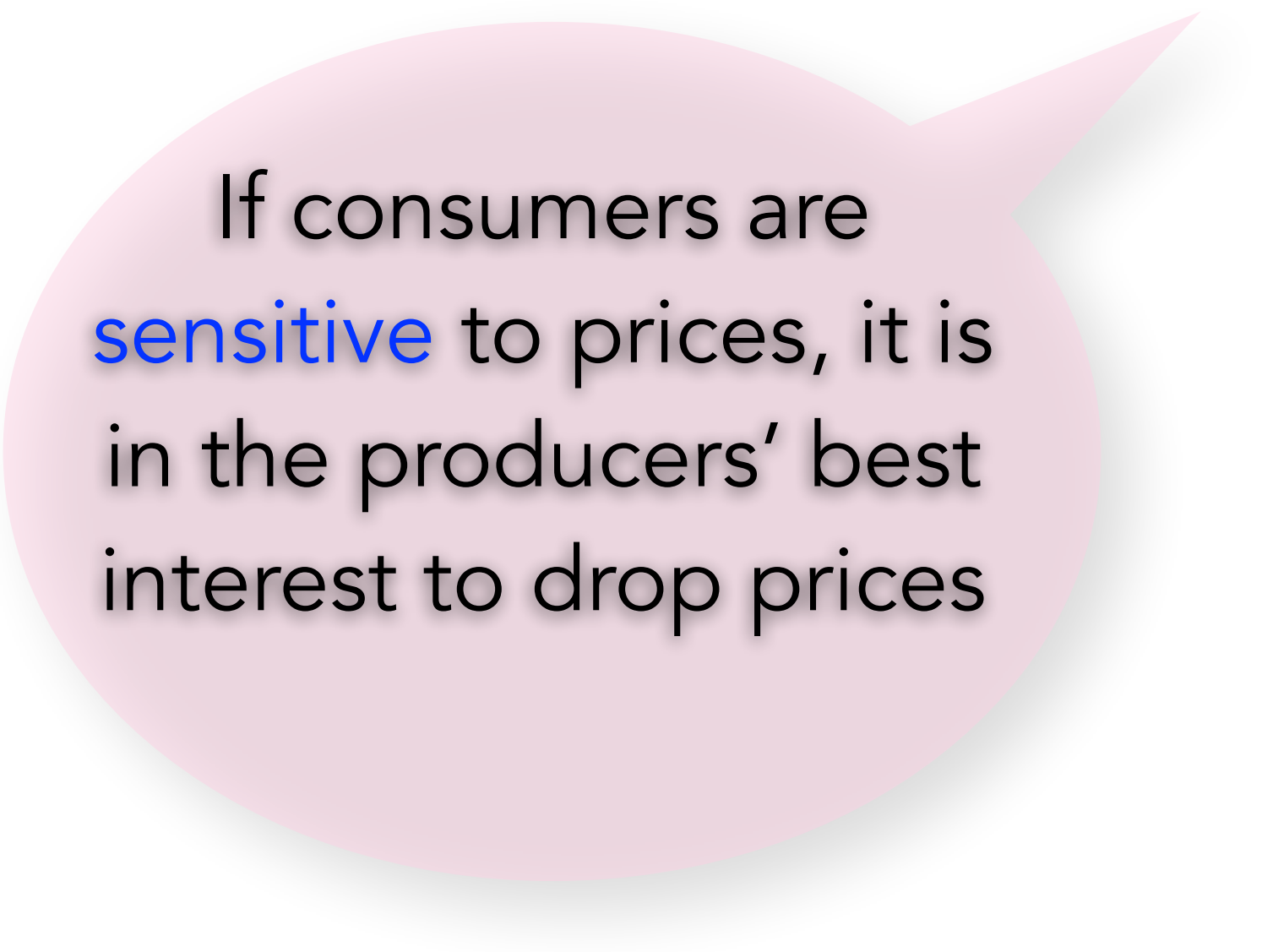




Elastic

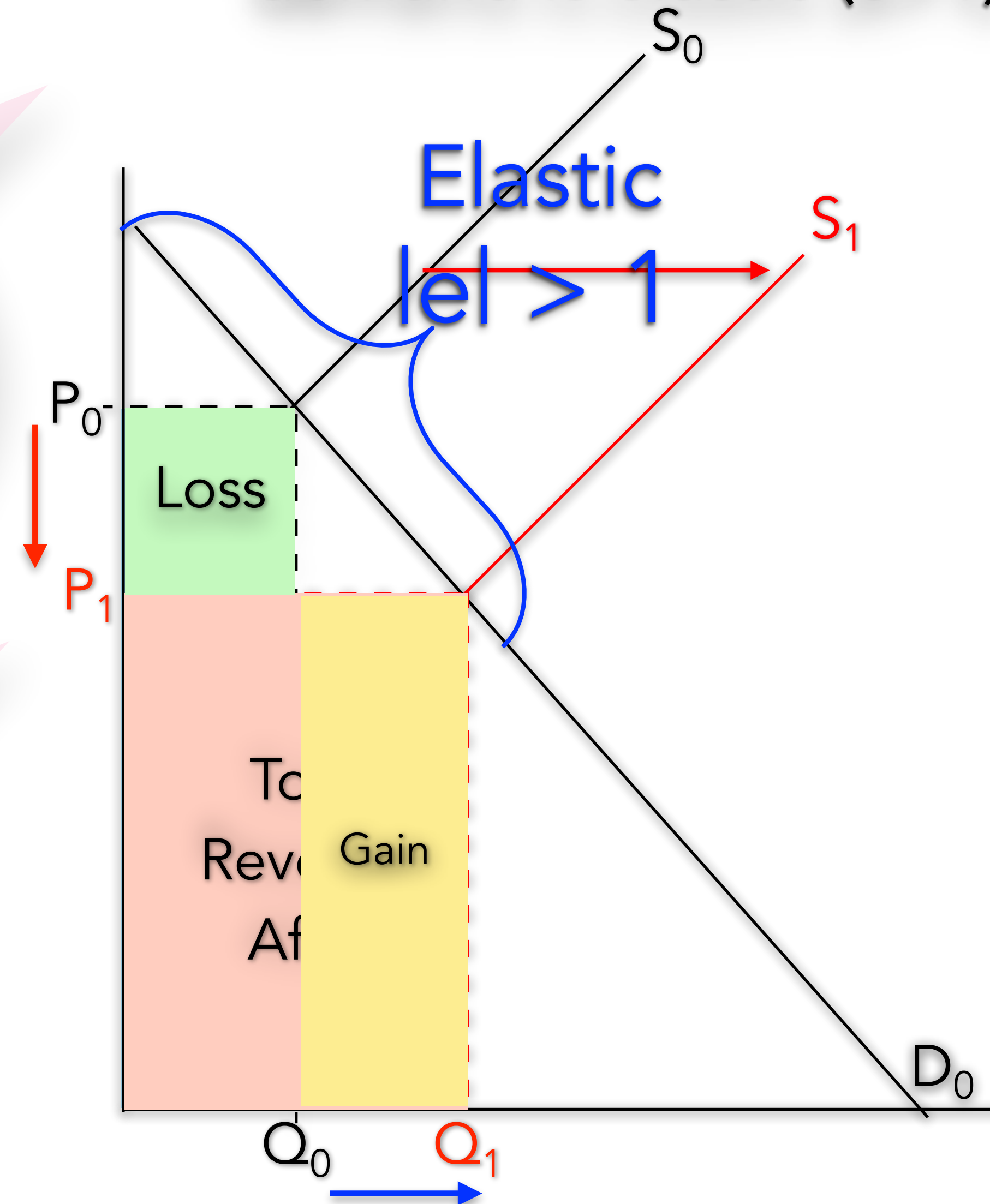
$|e| > 1$



A large, light pink speech bubble with a pointed tail pointing towards the top right corner of the image. The bubble has a subtle drop shadow, giving it a 3D appearance as if it's floating above the white background.

If consumers are
sensitive to prices, it is
in the producers' best
interest to drop prices

Increasing Supply, cause an **increase** in Total Revenue for producers if demand is **elastic** ($e > 1$)



Because

Gain > Loss

TR increase

Increasing Supply, cause a **decrease** in price and an **increase** in Q^d

If consumers are **sensitive** to prices, it is in the producers' best interest to increase supply

If consumers are **sensitive** to prices, it is in the producers' best interest to drop prices

