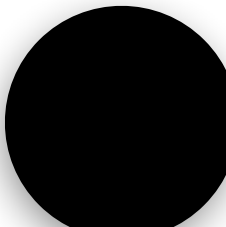


$$\%\Delta P =$$

$$(6-2)/(6+2)/2$$

$$=1$$

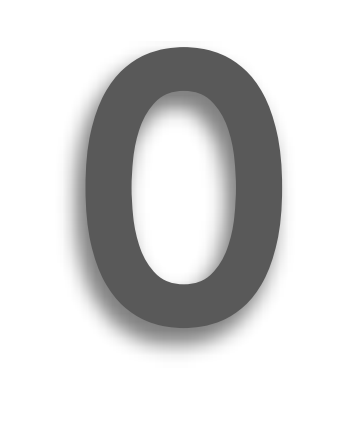
10


8


5


4

3



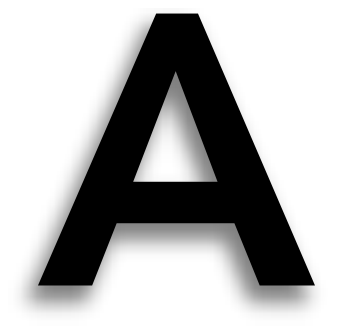

2

3


5

10

9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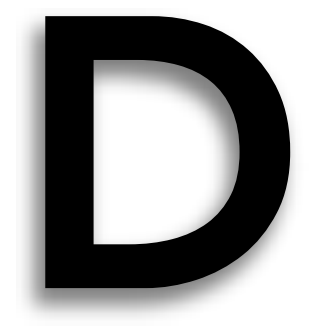
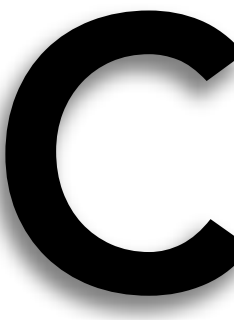
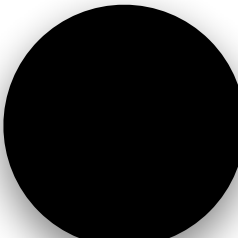
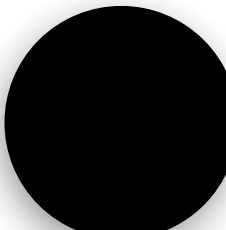
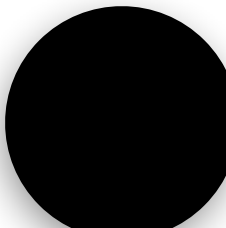


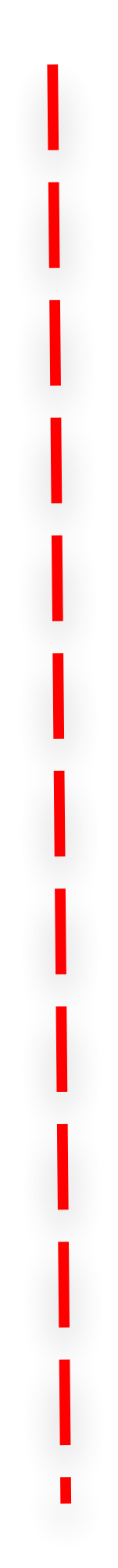


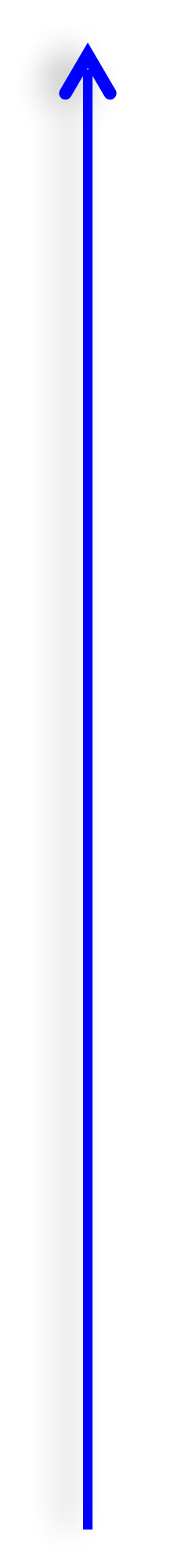




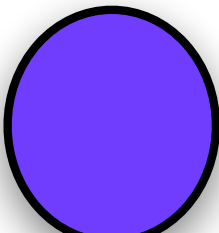


Supply

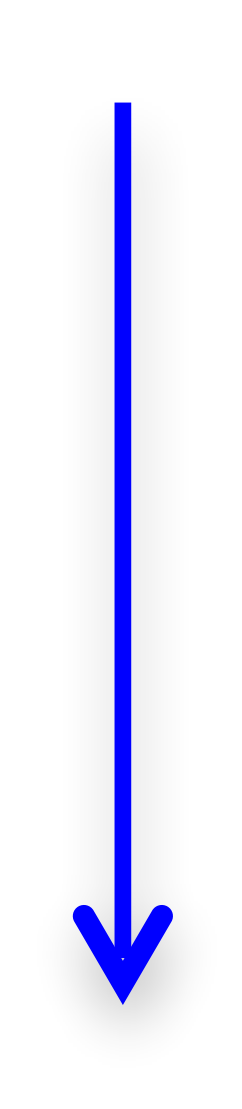


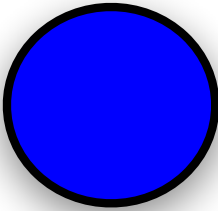


Make B the Midpoint



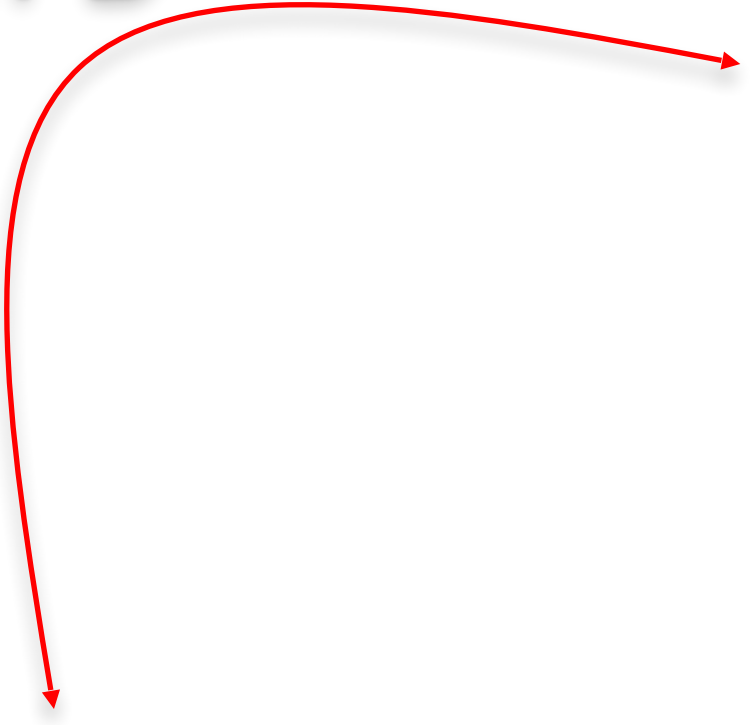

4






B

Same distance from B



Choose two points same distance from B (one above, one below)

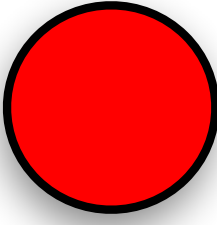
Calculate the Elasticity at point B

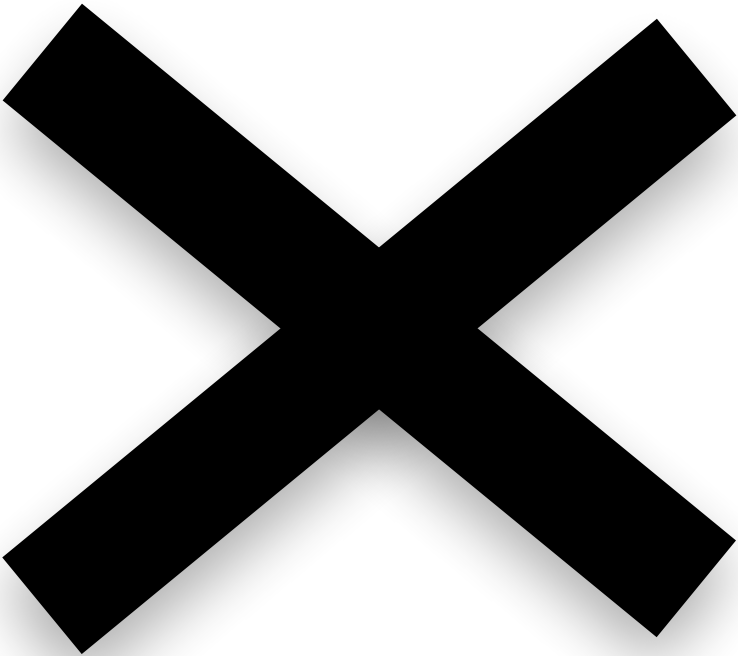
$$\%\Delta Q^{s} =$$

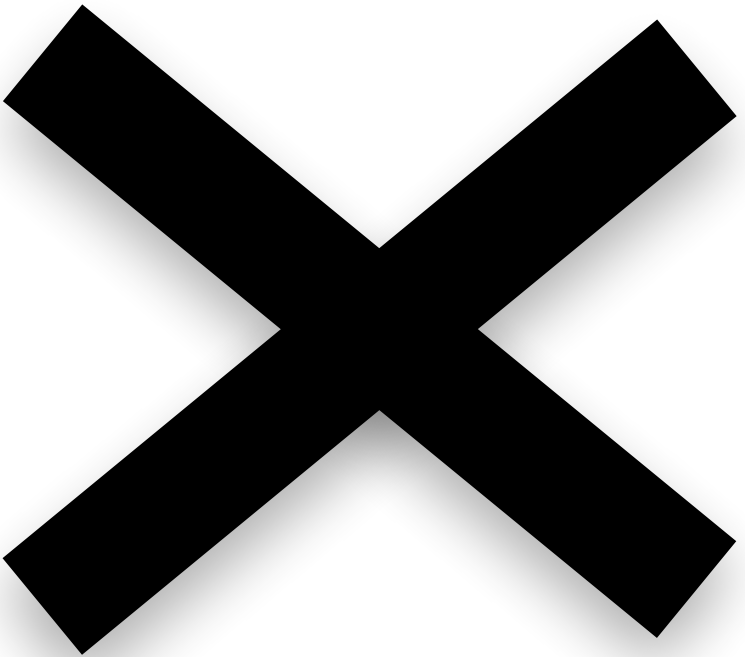
$$(8-4)/(8+4)/2$$

$$=0.66$$

$$e_p^{\,s} = 0.66/1$$







$$e_p^{s} \equiv 0.66$$

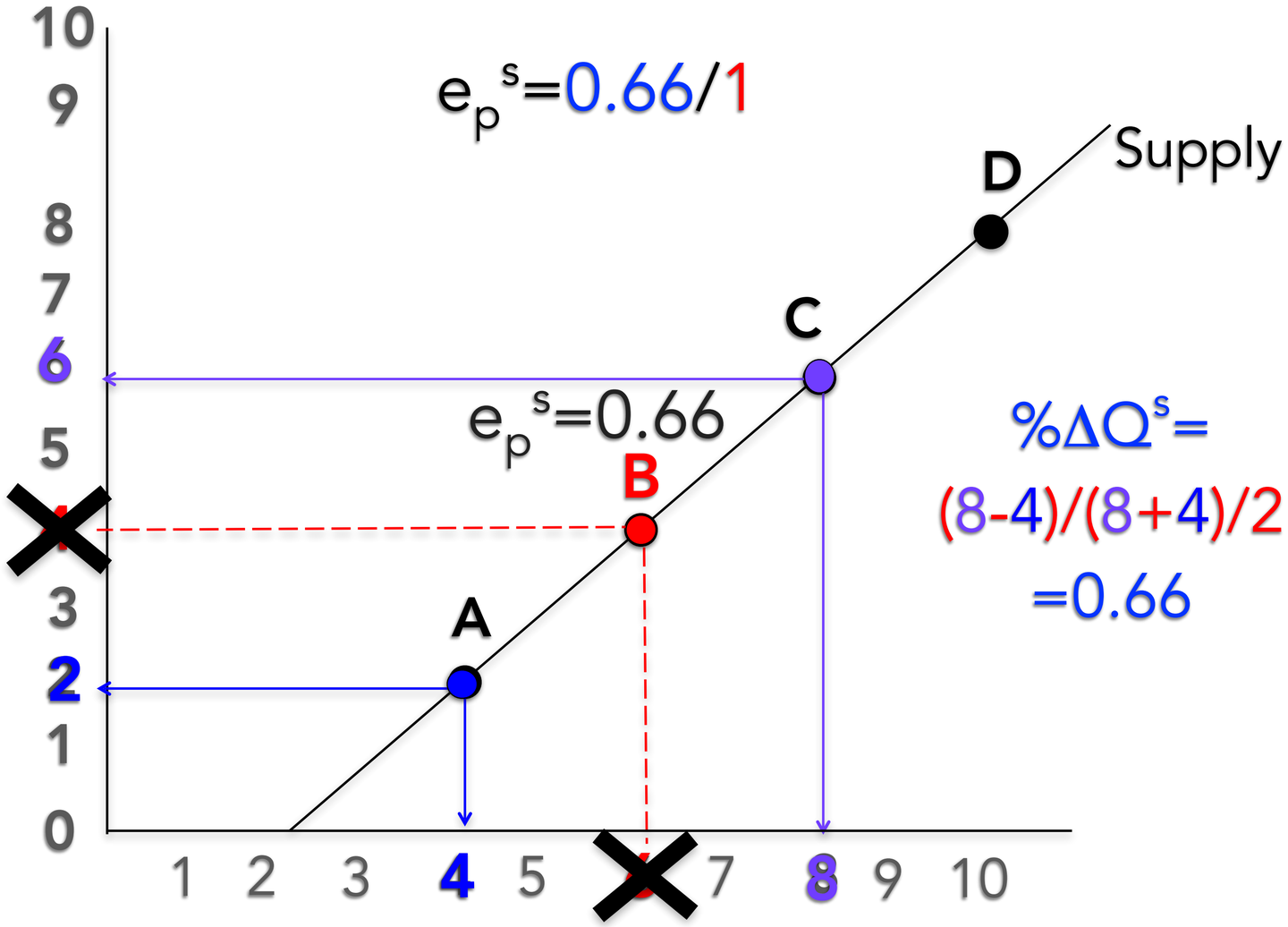
Calculate the Elasticity at point B

$e_p^s = 0.66/1$

$e_p^s = 0.66$

$\%\Delta P = (6-2)/(6+2)/2 = 1$

$\%\Delta Q^s = (8-4)/(8+4)/2 = 0.66$



Elasticity Changes Along Supply