











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) Low fat 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

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

Has **more substitutes**: other
brands, other flavors, other types

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

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

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

Which good has more **substitutes**?

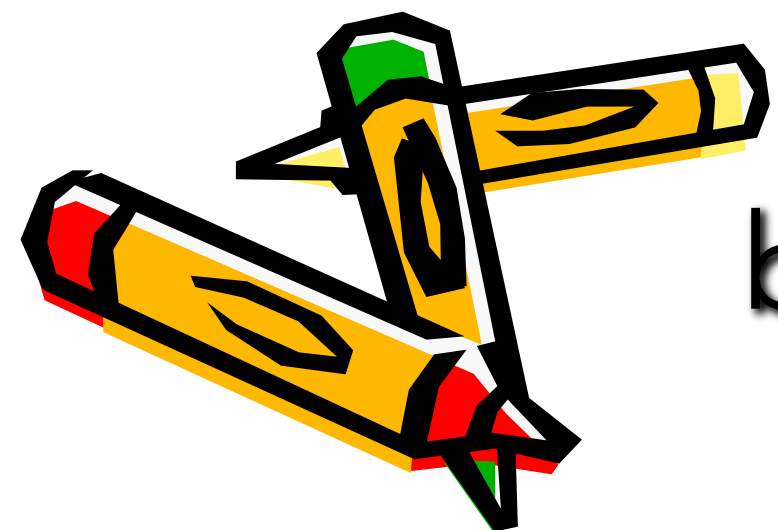
Which good is more **specific**?

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

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

Has **more substitutes**: other brands, other flavors, other types

Has a more **elastic** demand



What Determines the Elasticity?

