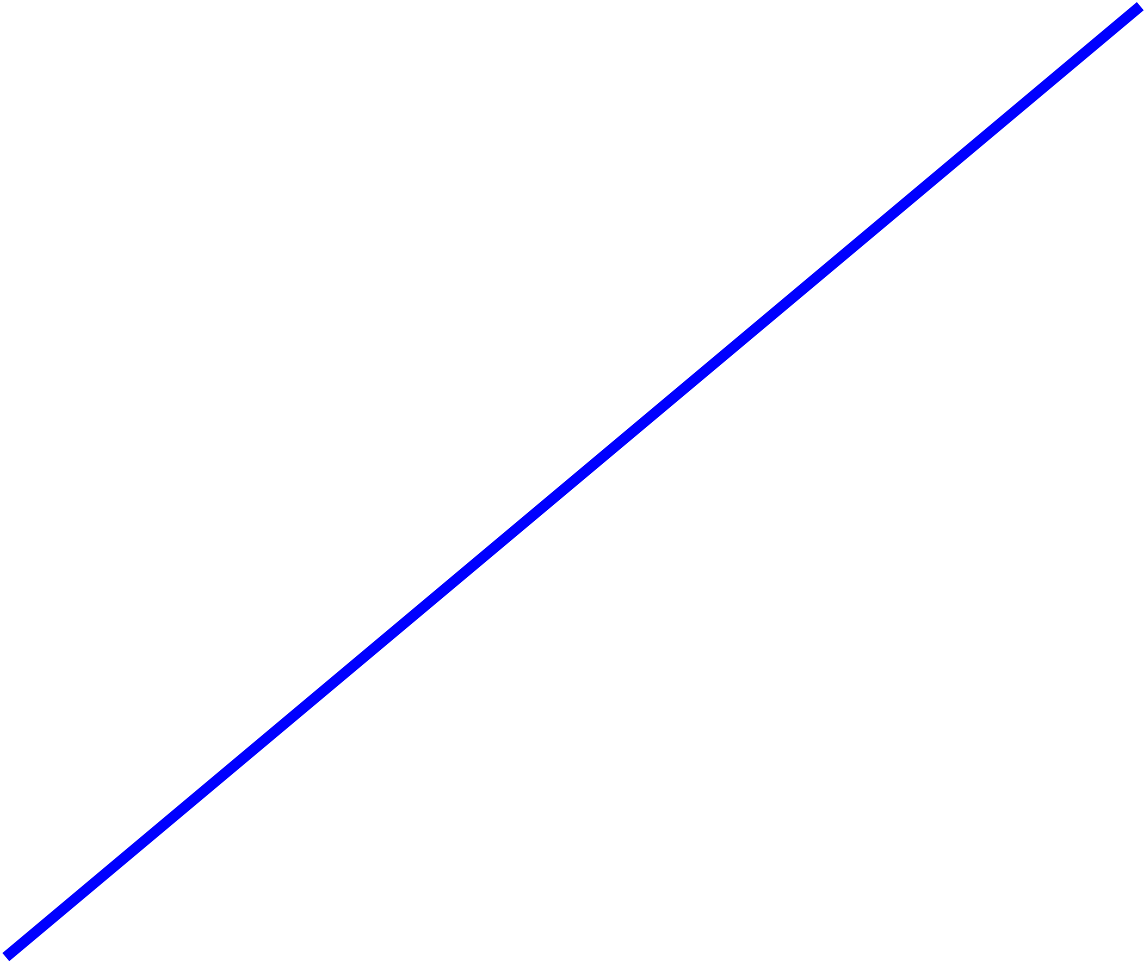


e decreases

e increases

e > 1 elastic

$e < 1$ inelastic

All supply lines that Cut Vertical Axis are Elastic

# All Supply lines that Cut Horizontal Axis are Inelastic

Same slope different elasticity

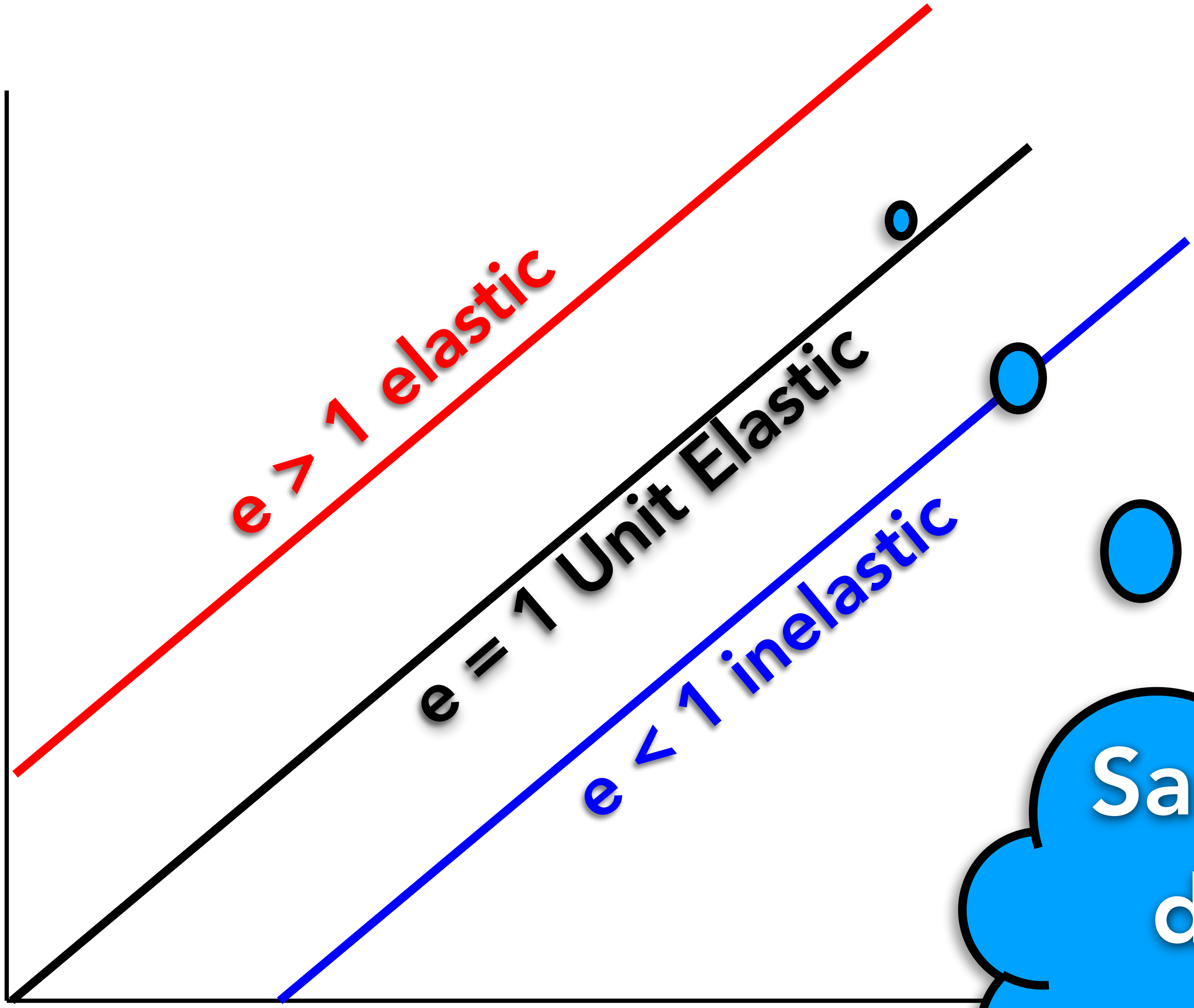
# $e = 1$ Unit Elastic

All Supply lines that Cut through the **origin** are **Unit** Elastic

# Slope and Elasticity are not the same

e the same

# Slope and Elasticity are not the same



Same slope different elasticity

The price elasticity of Supply is 0.5: Inelastic supply

What is the change in price necessary to induce a 10% increase in Quantity Supplied?