To measure a consumer's sensitivity to price changes

elasticity To measure a consumer's sensitivity

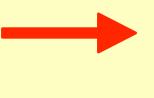
We need to observe two of his/her reactions to prices

We need two points (price, quantity) along his/her demand line



elasticity To measure a consumer's sensitivity

We need to observe two of his/her reactions to prices



We need two points (price, quantity) along his/her demand line

Calculating the elasticity with two points

