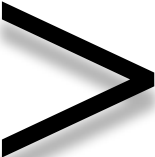


$$e_p^s > 1$$

% Change
in Q^s

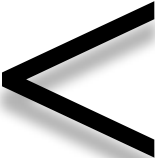
% Change
in Price



$$e_p s < 1$$

% Change
in Q^s

% Change in
Price



$$e_p^s = 1$$

% Change
in Q^s

% Change
in Price

[REDACTED]

[REDACTED]







$$e_p^s = \frac{\% \Delta Q^s}{\% \Delta P}$$

Large change in Q^s in
response to a small change
in price: Supply is Elastic

The change in Q^s is the same as change in price:

Supply is Unit Elastic

Small change in Q^s in
response to a larger change in
price: Supply is **Inelastic**

Three possible answers for the Price Elasticity of Supply:

$$e_p^s = \frac{\% \Delta Q^s}{\% \Delta P}$$

Three possible answers for the Price Elasticity of Supply:

$$e_p^s > 1$$



$$\% \text{ Change in } Q^s > \% \text{ Change in Price}$$

Large change in Q^s in response to a small change in price: Supply is **Elastic**

$$e_p^s = 1$$



$$\% \text{ Change in } Q^s = \% \text{ Change in Price}$$

The change in Q^s is the same as change in price: Supply is **Unit Elastic**

$$e_p^s < 1$$



$$\% \text{ Change in } Q^s < \% \text{ Change in Price}$$

Small change in Q^s in response to a larger change in price: Supply is **Inelastic**

