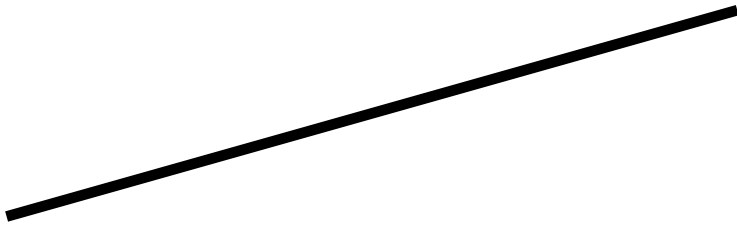


Use  
points C  
and D







C

A large, light pink oval shape serves as the background for the entire image. It has a soft, slightly irregular edge and a subtle gradient, giving it a hand-drawn or watercolor-like appearance. The color is a pale, pastel pink.

30

A large, solid pink circle is centered on a white background. Inside the circle, the number '10' is written in a large, black, sans-serif font.

10





40

A light blue circle with a soft drop shadow, containing the number 80 in a large, black, sans-serif font.

80



Use these two quantities to calculate the elasticity at point B



Use these two prices  
to calculate the  
elasticity at point B

Calculating the elasticity at *one* point along a demand line

Make "B" the Midpoint by using **any** two points which are the **same distance** from **B**





D



%Δ Qd =

$$(80-40) \div [(80+40)]/2$$
$$= 40 \div 60 = 0.67$$

$\% \Delta \text{Price} =$

$$(30-10) \div [(30+10)]/2$$

$$= 20 \div 20 = 1$$

Price Elasticity of Demand at  
point B =  $0.67/1$   
= - 0.67





**B**



Always Negative:  
add a negative  
sign



B

Example: to calculate the elasticity at point

Example: to calculate the elasticity at point **B**

Make "B" the Midpoint by using **any** two points which are the **same distance** from B

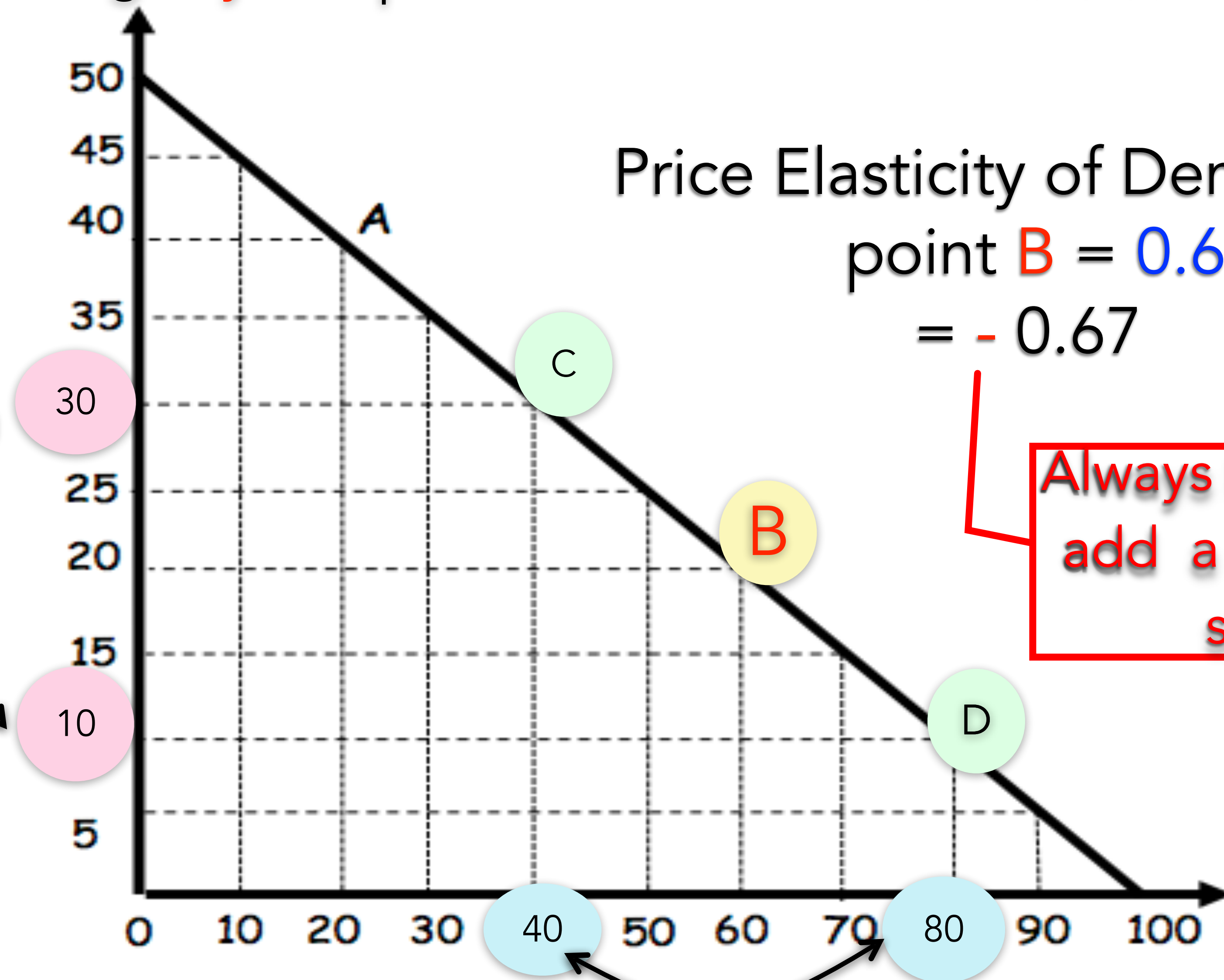
$\% \Delta Q^d =$

$$(80 - 40) \div [(80 + 40)] / 2 \\ = 40 \div 60 = 0.67$$

Use these two prices  
to calculate the  
elasticity at point B

$\% \Delta \text{Price} =$

$$(30 - 10) \div [(30 + 10)] / 2 \\ = 20 \div 20 = 1$$



Price Elasticity of Demand at  
point **B** =  $0.67 / 1$   
=  $-0.67$

Always Negative:  
add a negative  
sign

Use these two quantities to calculate the elasticity at point B

To calculate the Elasticity at point B

