



Cross Price Elasticity between  
goods  $x$  and  $y$

e





y

d





[REDACTED]

[REDACTED]

% Change in Demand for good X

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% Change in price of good Y

Coke

# Printers

Pepsi

# Computers

ex<sub>x,y</sub>d =

# Cross Price Elasticity between goods $x$ and $y$

$$e_{x,y}^d = \frac{\% \text{ Change in Demand for Printers}}{\% \text{ Change in price of Computers}}$$



The **sign** of the Cross Price Elasticity tells us **how** are goods **related**...

