















a) Cars



b) Imported cars

c) German cars

d) German Red Cars

e) BMW red convertibles

Which good has a more **elastic** demand?

Which good has more substitutes?

a) Ben & Jerry's Chocolate low fat ice cream

b) Low fat ice cream



c) Ice cream

d) Frozen desserts

e) Desserts

Which good is more specific?

Has **more substitutes**: other  
brands, other colors, other types

It's a very **specific** good: brand  
specific, color specific, type  
specific

Has a more elastic demand

a) Ben & Jerry's Chocolate low fat ice cream



Has **more substitutes**: other  
brands, other flavors, other types

It's a very **specific** good: brand  
specific, flavor specific, type  
specific

- a) Ben & Jerry's Chocolate low fat ice cream
- b) Low fat ice cream
- c) Ice cream
- d) Frozen desserts
- e) Desserts

Which good has a more **elastic** demand?

Which good has more **substitutes**?

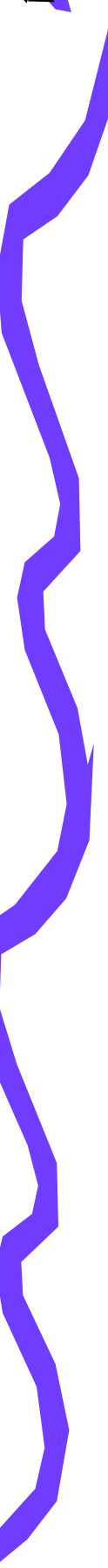
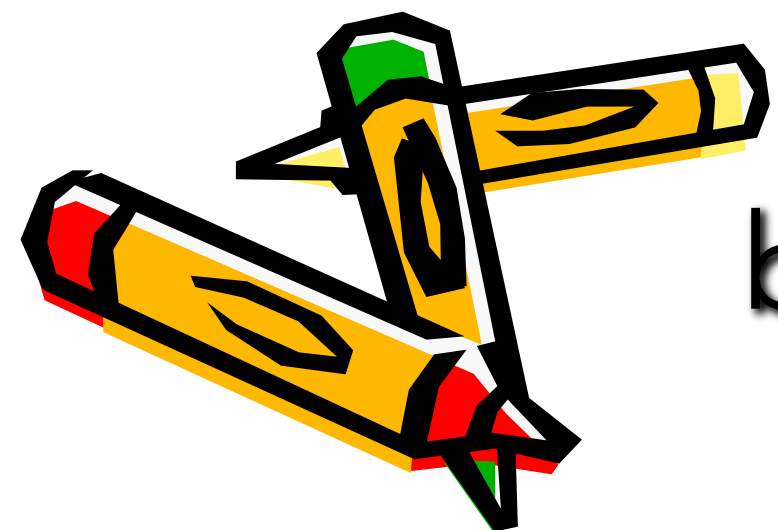
Which good is more **specific**?

a) Ben & Jerry's Chocolate low fat ice cream

It's a very **specific** good: brand specific, flavor specific, type specific

Has **more substitutes**: other brands, other flavors, other types

Has a more **elastic** demand



What Determines the Elasticity?

