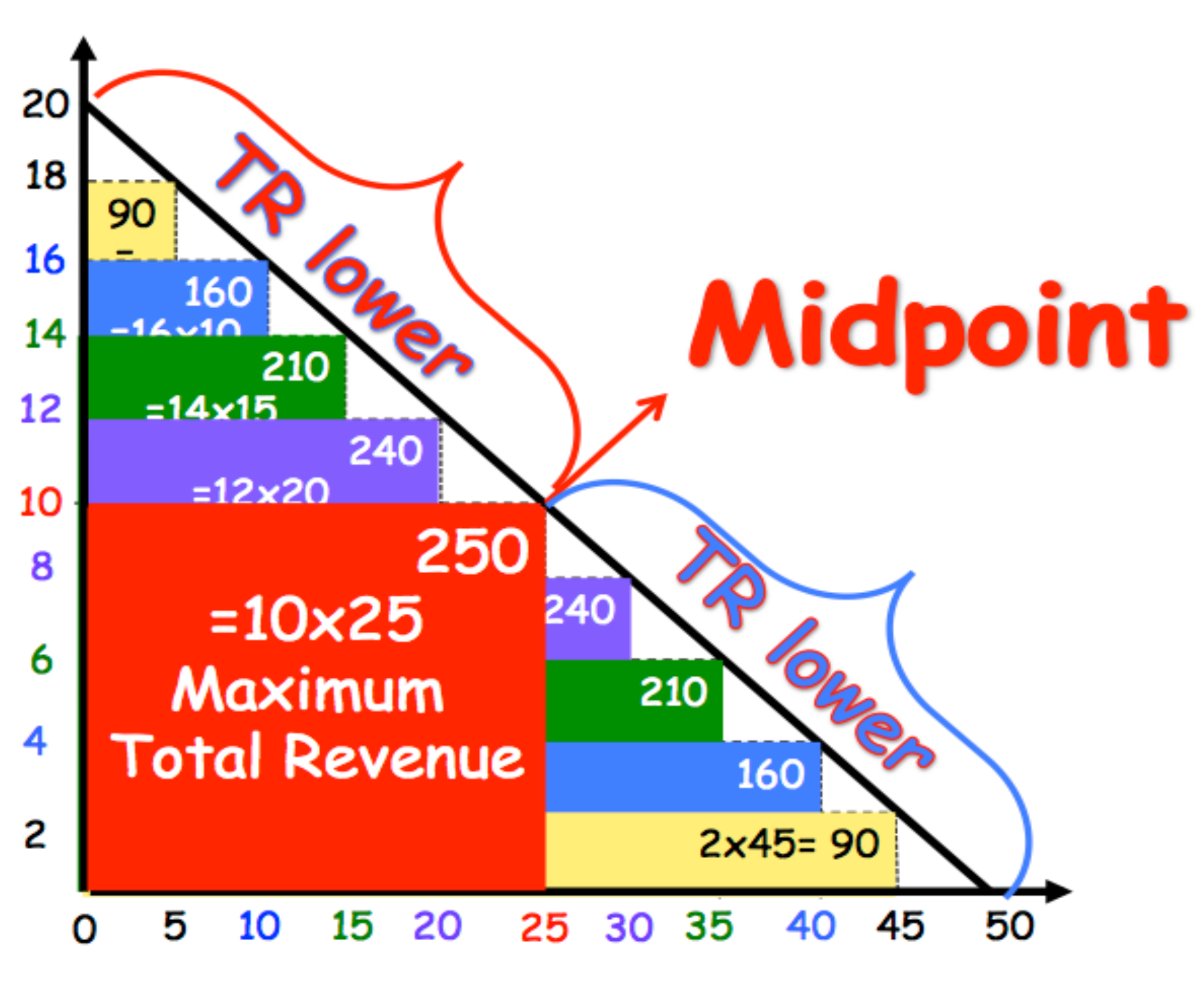

20
18
16
14
12
10
8
6
4
2
0
5
10
15
20
25
30
35
40
45
50
90
160
210
=14x15
240
=12x20
250
=10x25
Maximum
Total Revenue
240
210
160
2x45= 90
TR lower
TR lower
Midpoint

06

160

210

240

250

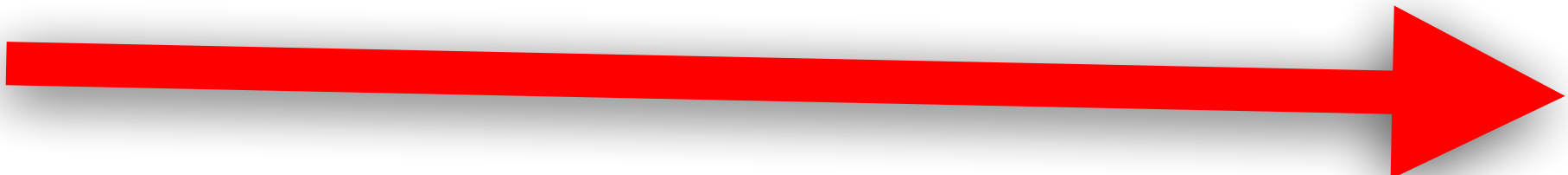
240

210

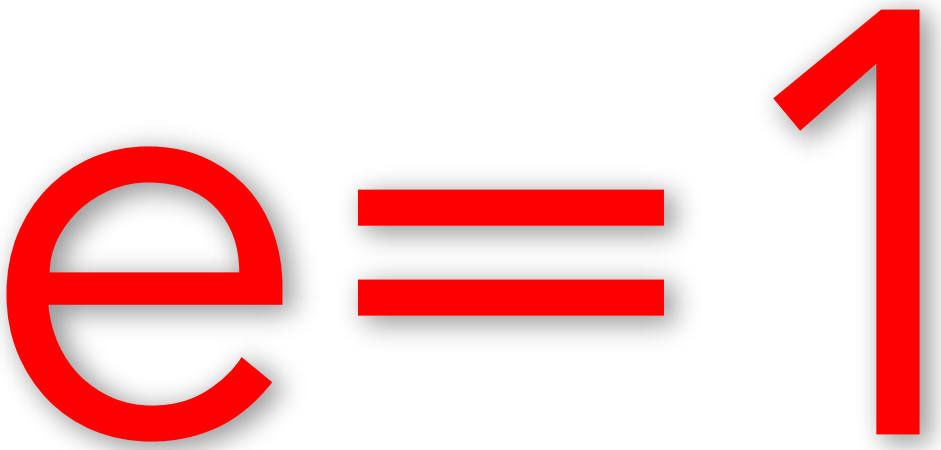
160

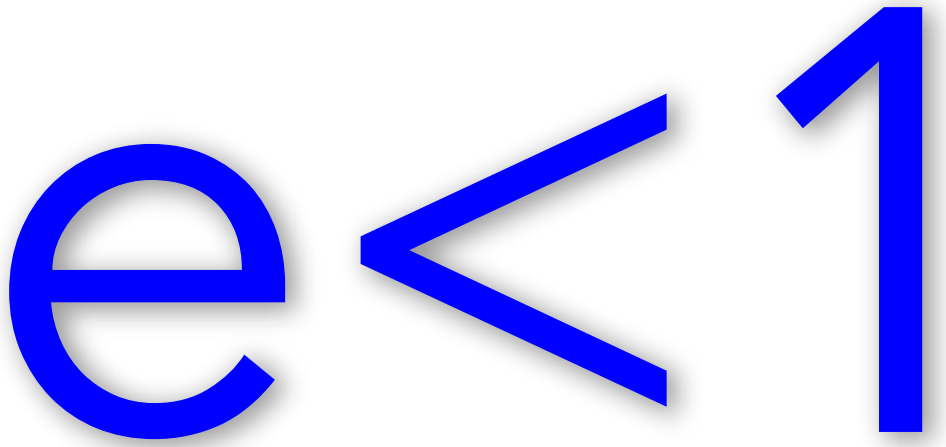
06

Midpoint

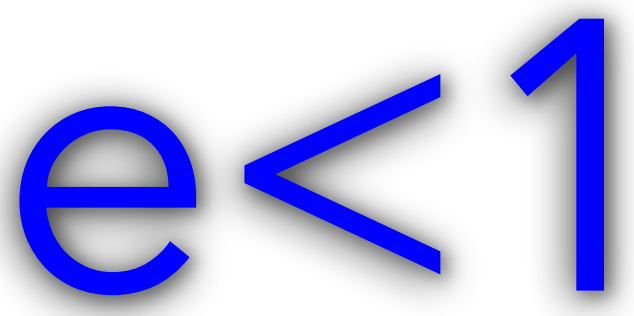


$e > 1$


e=1


e<1

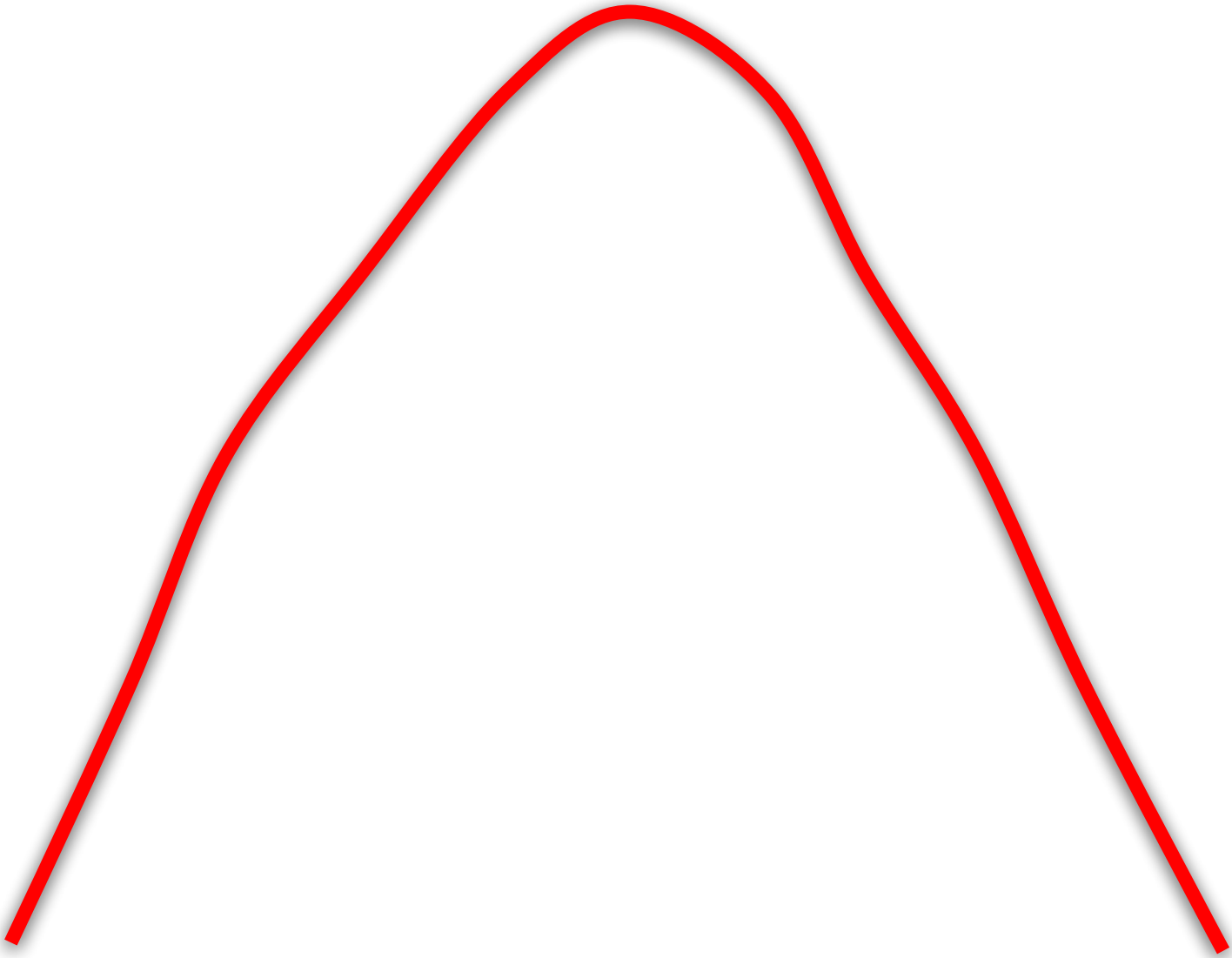
$e > 1$


e<1

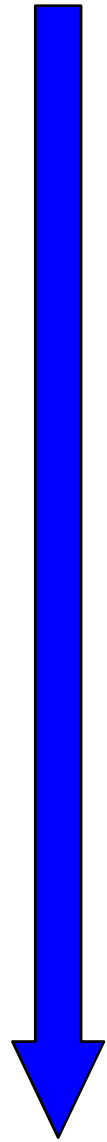
17

Total Revenue

0 5 10 15 20 25 30 35 40 45 50



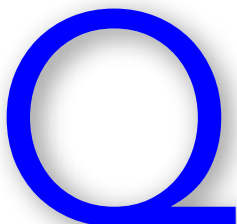
As price drops

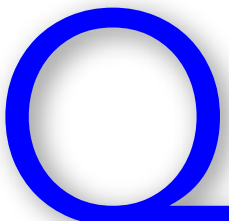


If e>1
Total Revenue
Increase as price
drops

If e<1
Total Revenue
Decrease as price
drops

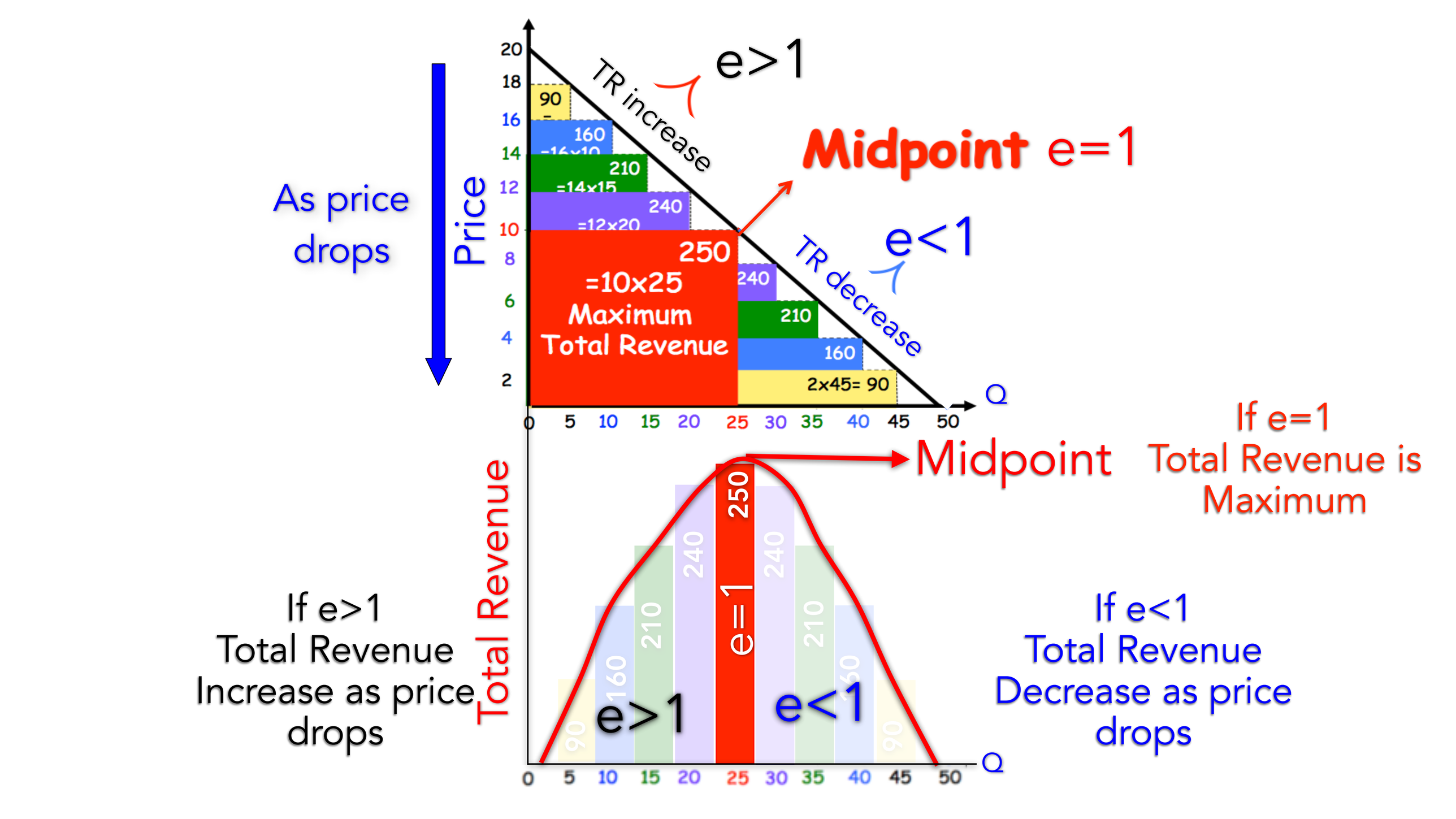
Price

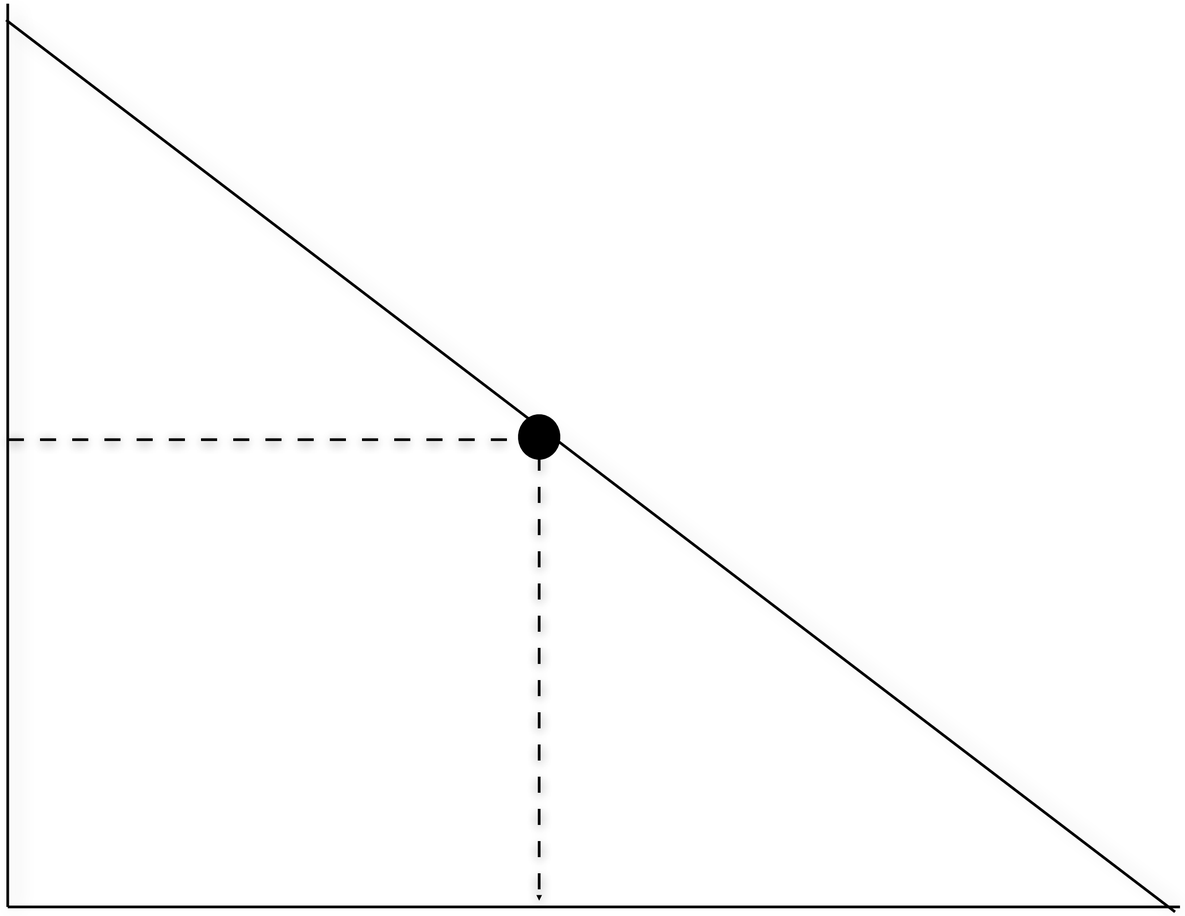




TR decrease

If e=1
Total Revenue is Maximum


As price drops
Price
20
18
16
14
12
10
8
6
4
2
90
160
210
240
250
=10x25
Maximum
Total Revenue
240
210
160
2x45= 90
TR increase
TR decrease
e>1
e<1
Midpoint e=1
0 5 10 15 20 25 30 35 40 45 50
Q
Total Revenue
Midpoint
e=1
e>1
e<1
If e=1
Total Revenue is
Maximum
If e>1
Total Revenue
Increase as price
drops
If e<1
Total Revenue
Decrease as price
drops


Midpoint