



As Price Increases

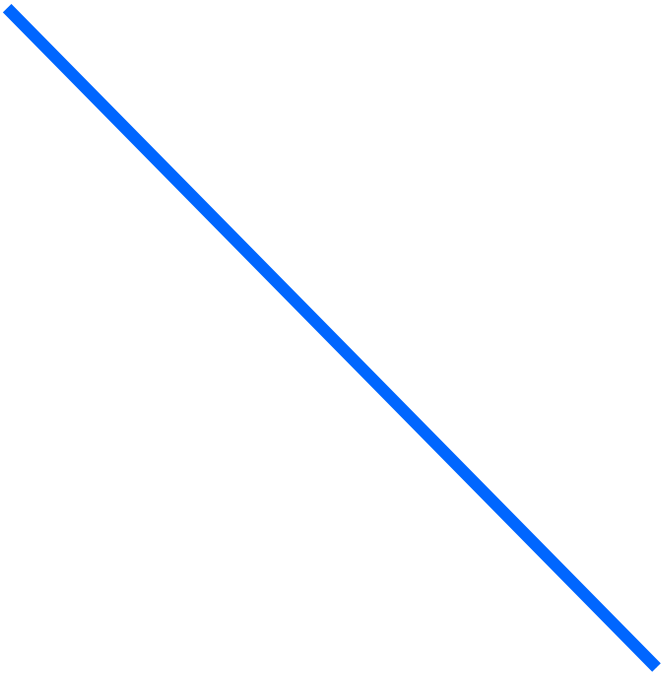
For low prices,
demand is
inelastic: $|e| < 1$

For high prices,
demand is elastic:

$$|e| > 1$$

At the
midpoint,
 $|e| = 1$







Elasticity Increase



140

130

120

110

100

90

80

70

60

50

40

30

20

10

0

-13.00

-6.00

-3.67

-2.50

-1.80

-1.33

-1.00

-0.75

-0.56

-0.40

-0.27

-0.17

-0.08

