Do not change price

when Demand is Unit elastic

50

45

40

35

30

25

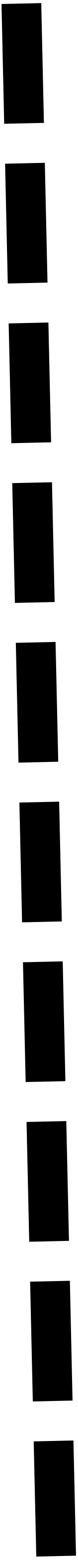
20

15

10

5

2



4

6

8

10

12

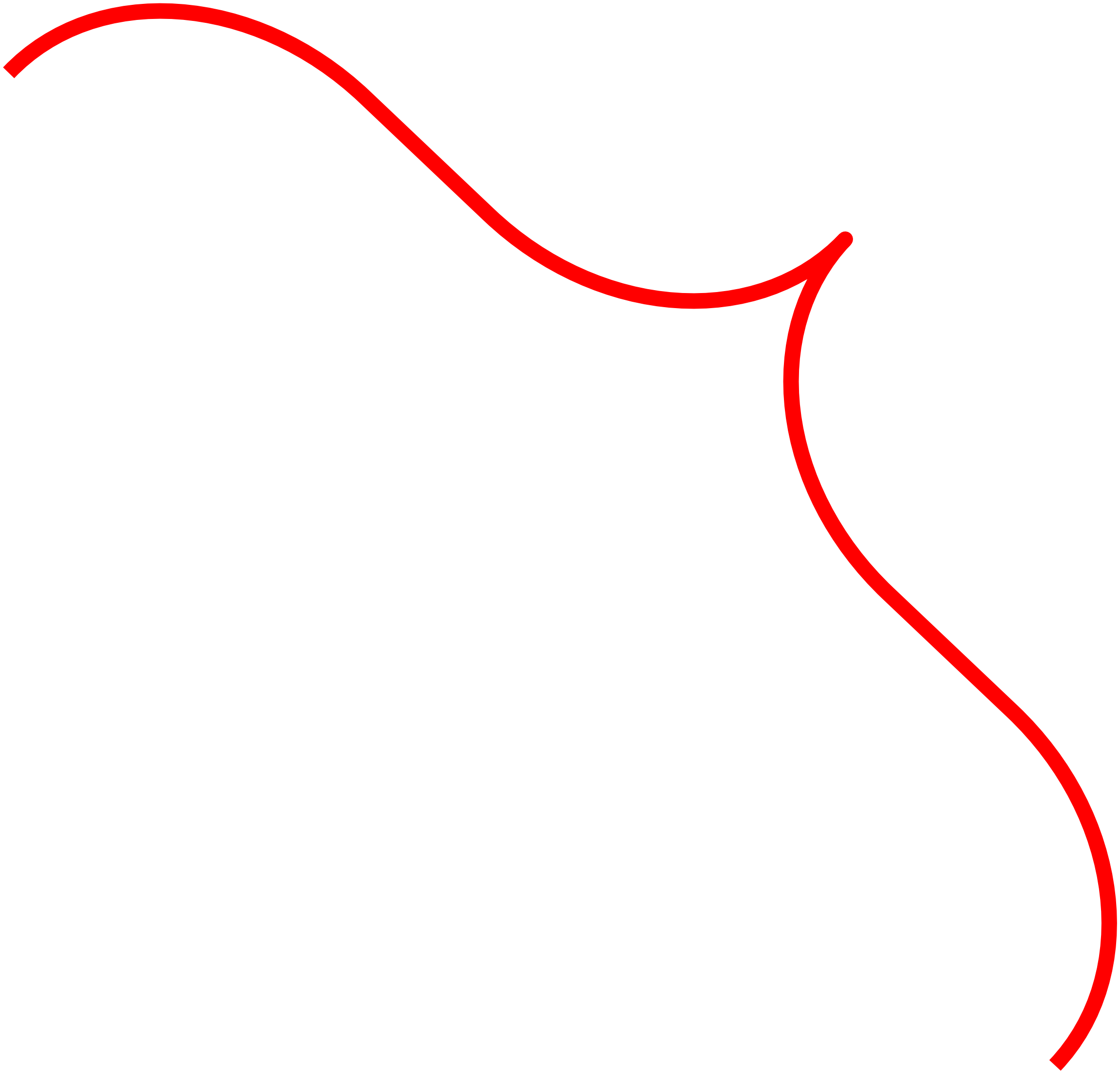
14

16

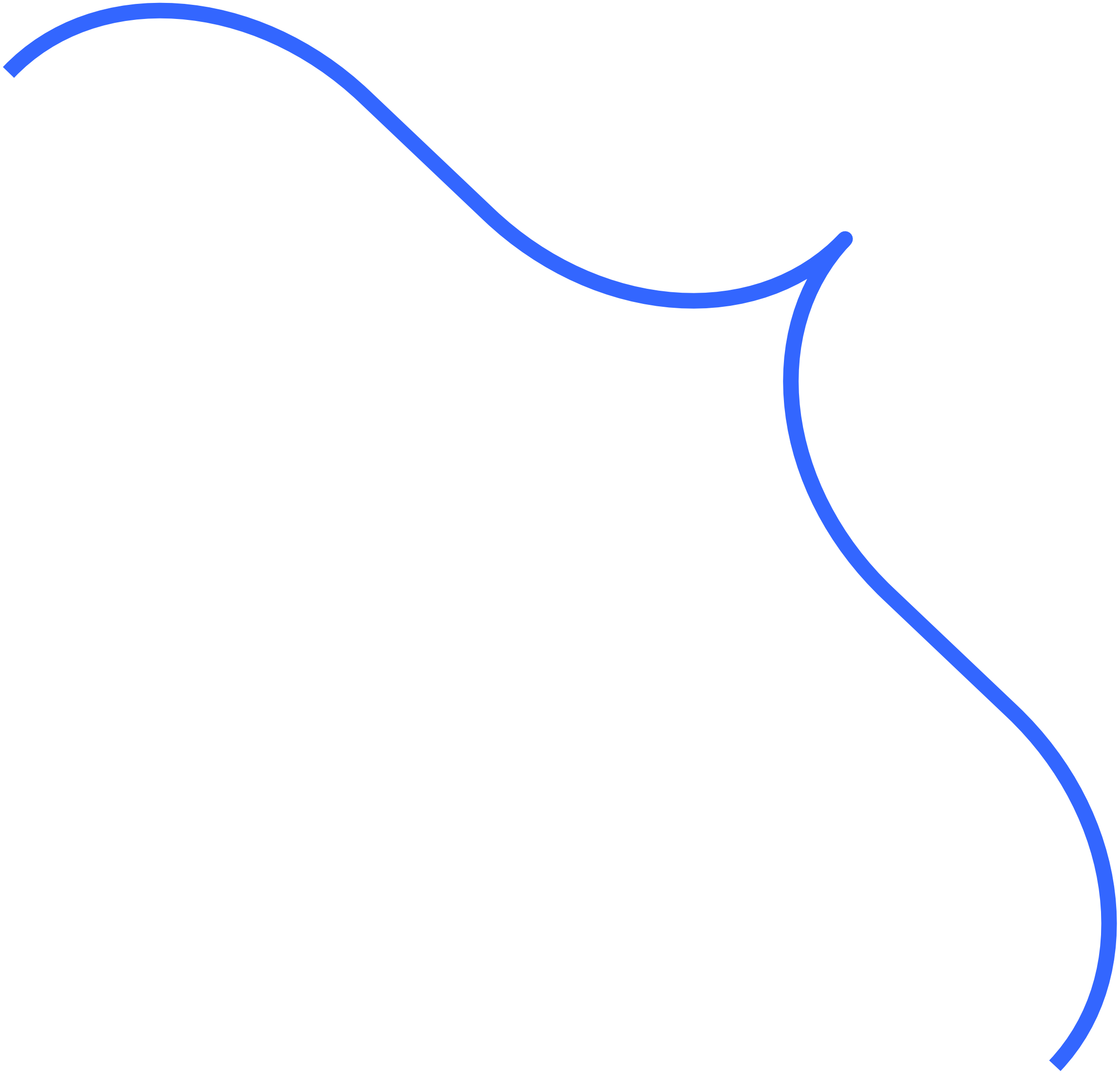
18

20

Midpoint



TR lower

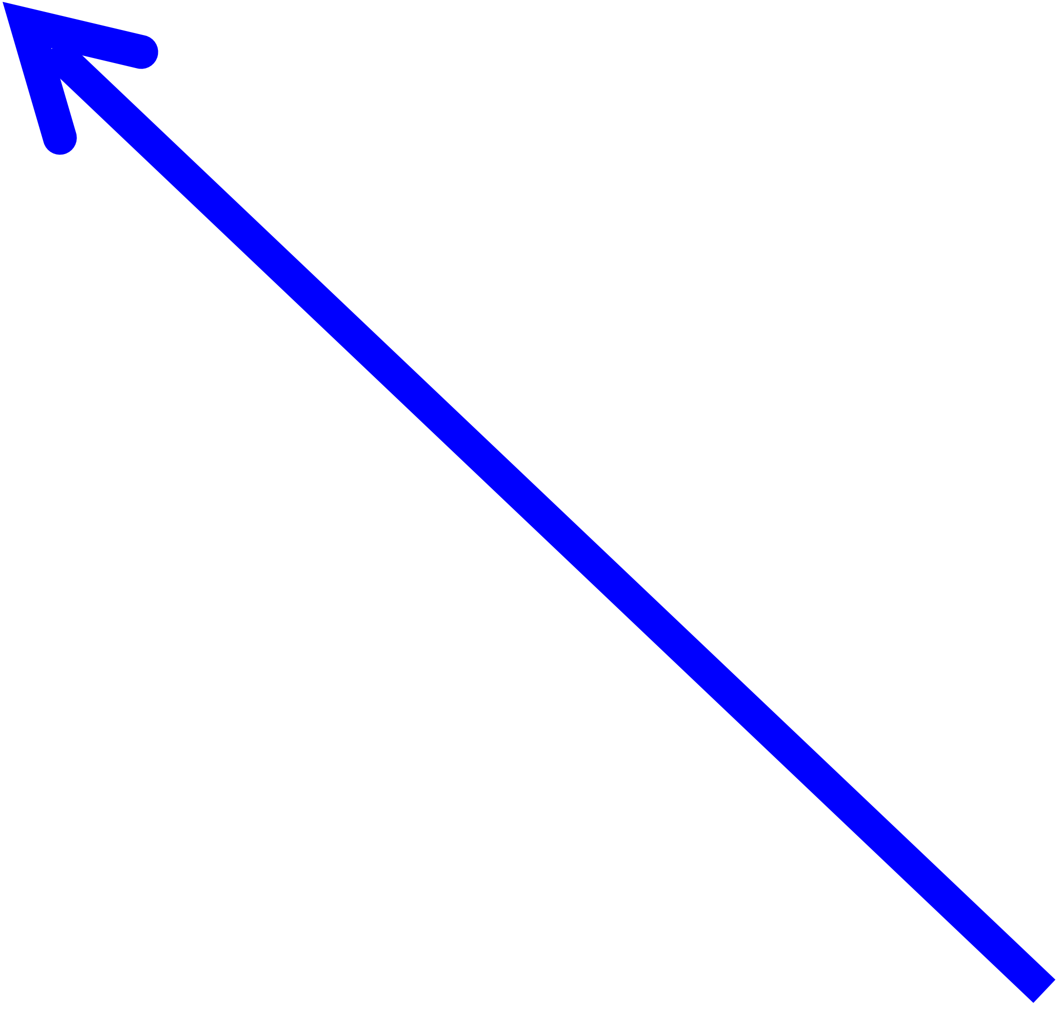


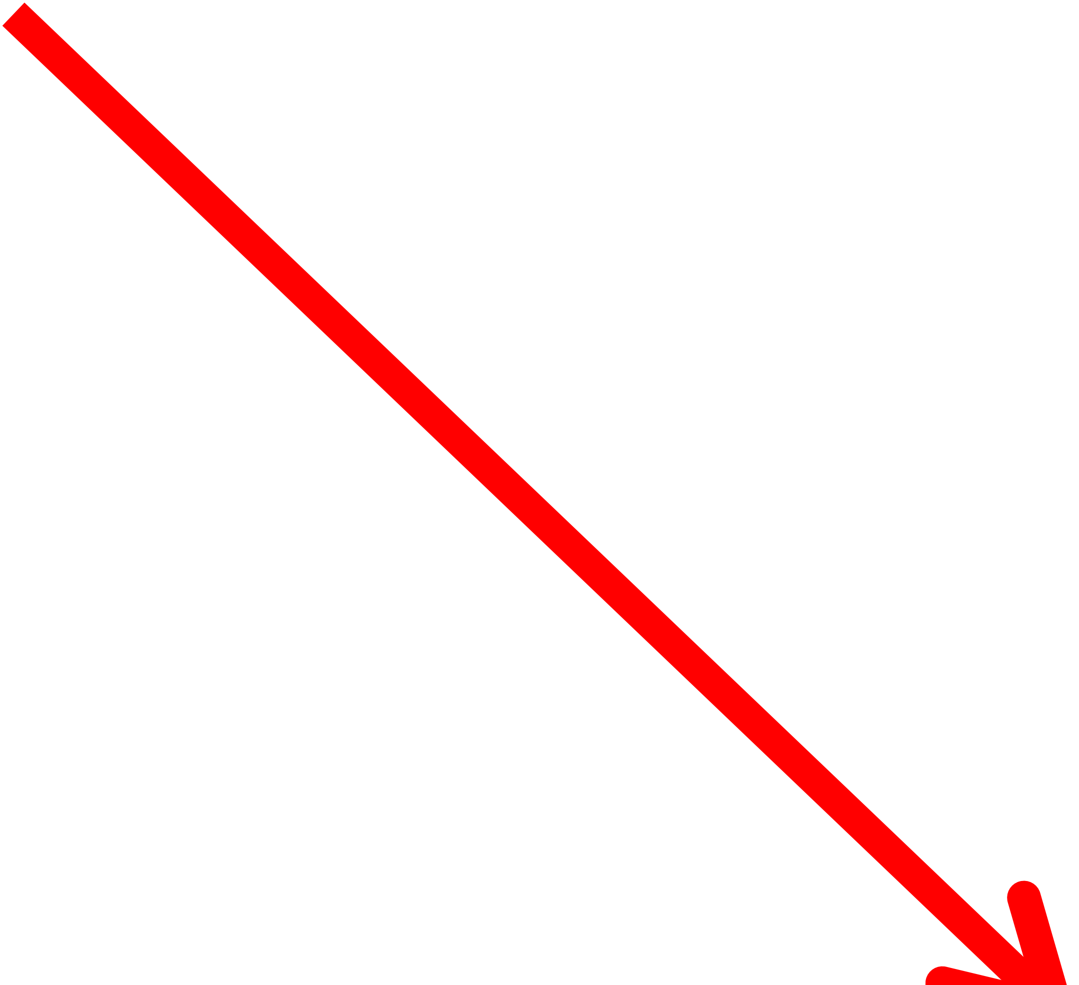
TR lower

$P=10$

$$Q^d = 25$$

To increase Revenue:





When Demand is Elastic

Total Revenue = Price x Quantity

90=
18x
5

160

=16x10

210

=14x15

240

=12x20

When Demand is Inelastic

250

=10x25

240

=8x30

210

=6x35

160

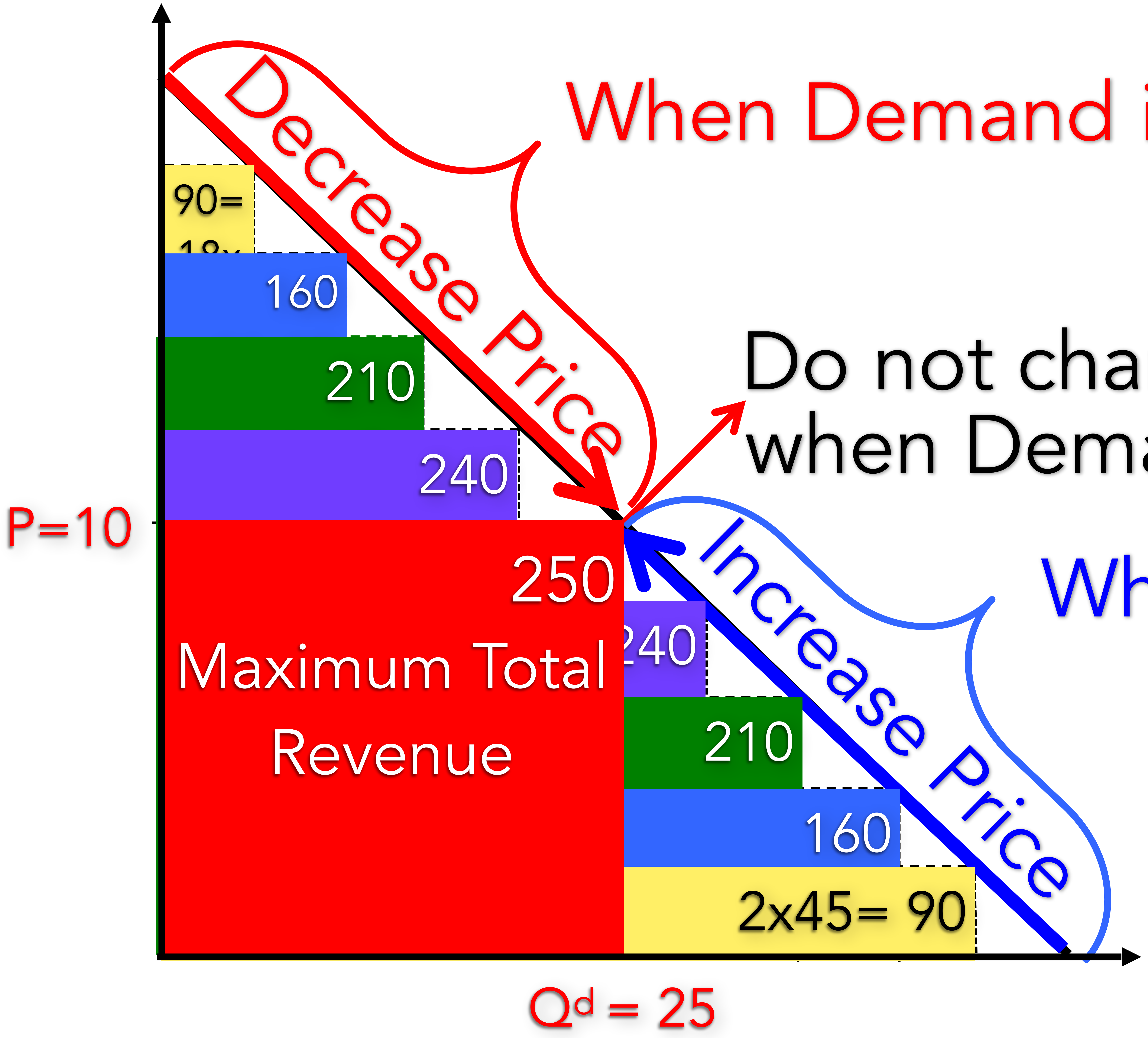
=4x40

$$2 \times 45 = 90$$

250

Maximum Total Revenue

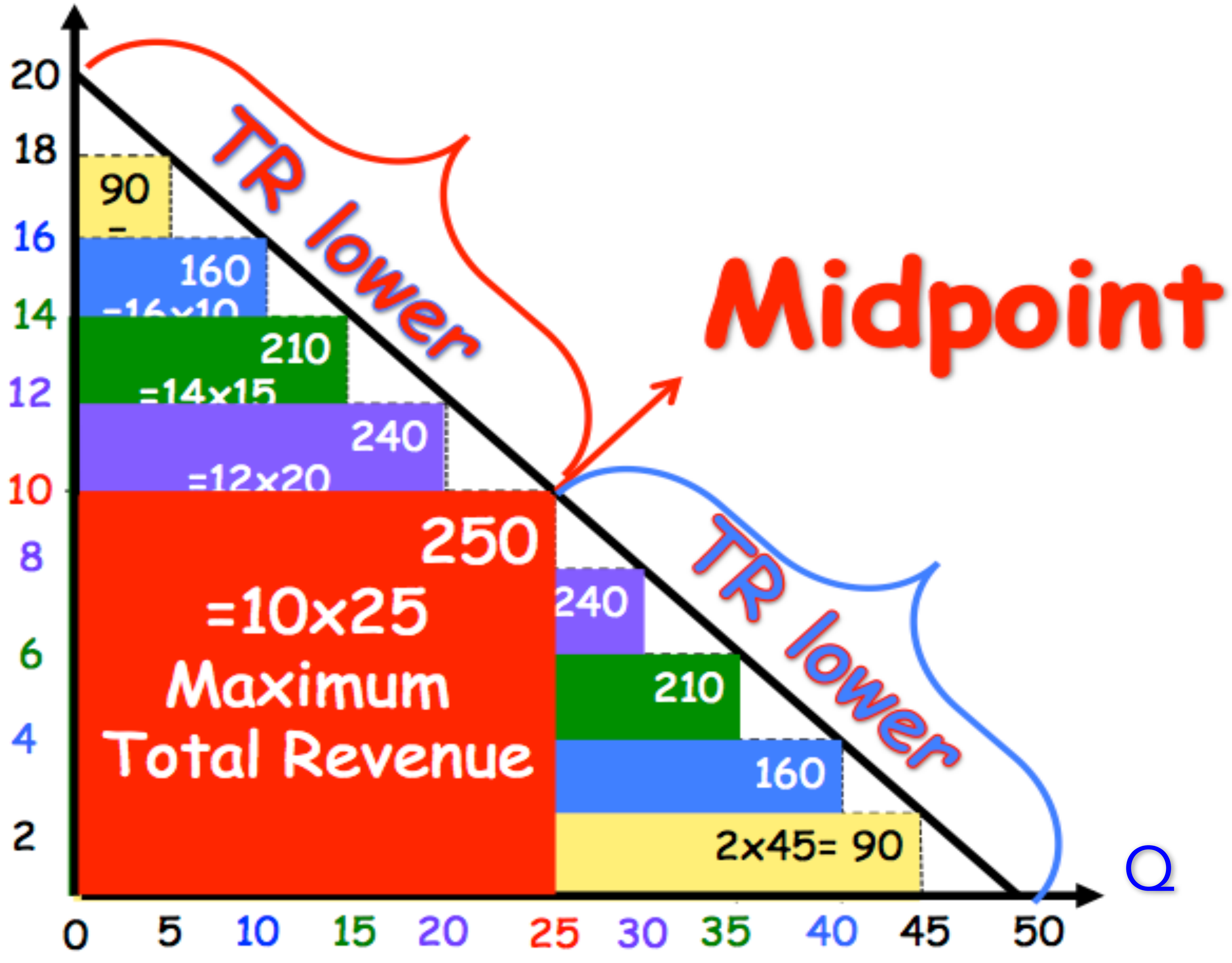
To increase Revenue:



When Demand is Elastic

Do not change price when Demand is Unit elastic

When Demand is Inelastic



TR lower
Midpoint
TR lower
20
18
16
14
12
10
8
6
4
2
90
160
=16x10
210
=14x15
240
=12x20
250
=10x25
Maximum
Total Revenue
240
210
160
2x45= 90
Q
0
5
10
15
20
25
30
35
40
45
50