

Cross Price Elasticity between
goods x and y

e





y

d

[REDACTED]

[REDACTED]

% Change in Demand for good X

% Change in price of good Y

Coke

Printers

Pepsi

Computers

ex_{x,y}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**...

