Cross Price Elasticity between goods x and y













% Change in Demand for good X

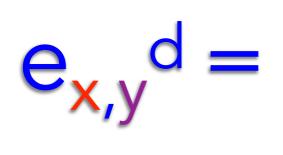
% Change in price of good Y



Printers

Pepsi

Computers



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...

