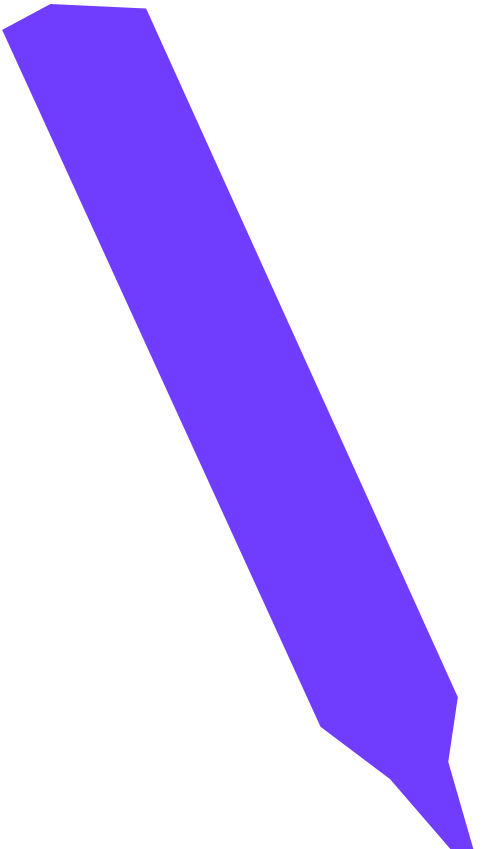

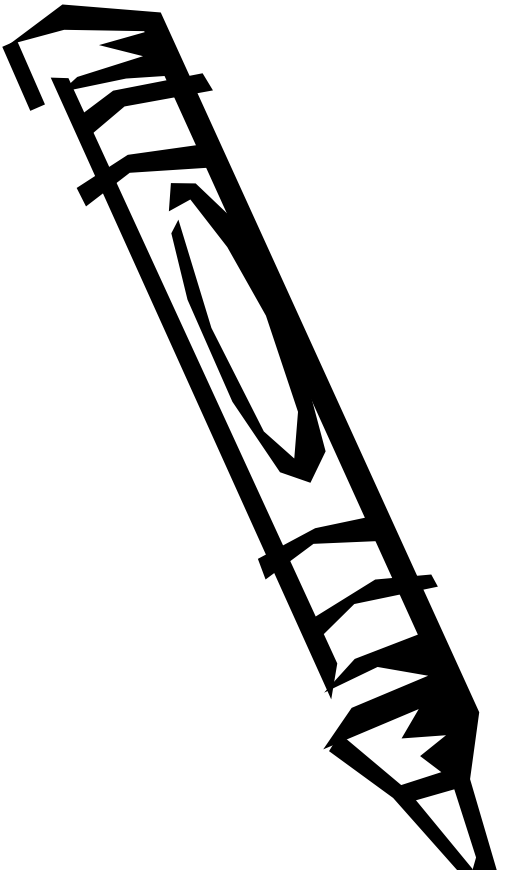

It has been observed that a 20% decrease in price, caused a 5% increase in quantity demanded. Calculate the Elasticity

Elasticity of Demand (ignoring the sign) is less than one: Demand is Inelastic

$$= -0.25$$

$$e_p{}^d = \frac{5}{-20}$$


Elasticity has
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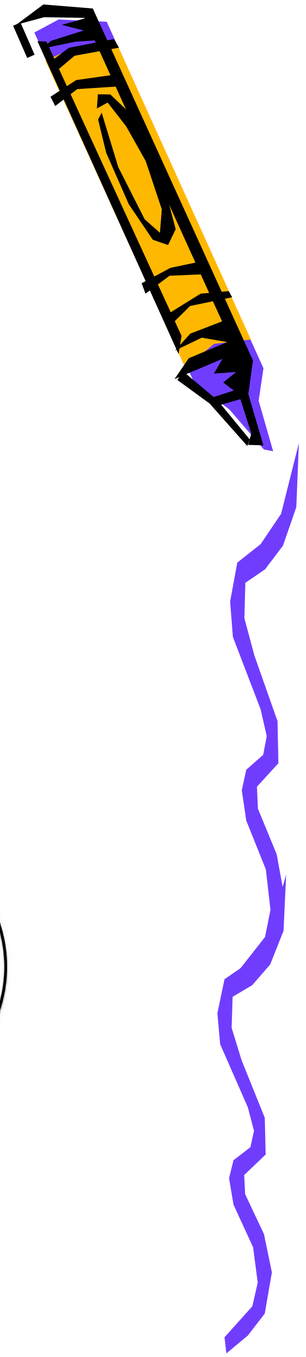

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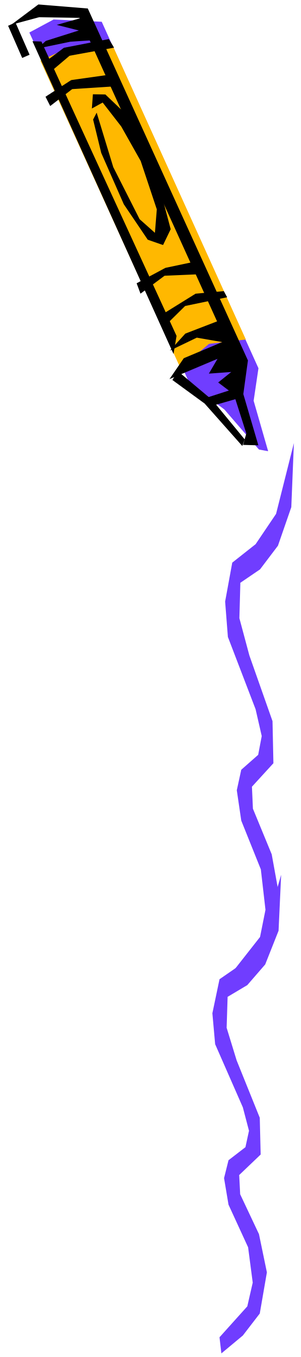

It has been observed that a 5% increase in price, caused a 10% reduction in quantity demanded. Calculate the elasticity