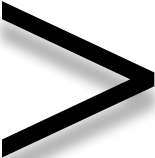


$$e_p^s > 1$$

% Change
in Q^s

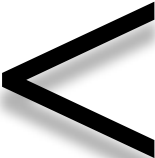
% Change
in Price



$$e_p s < 1$$

% Change
in Q^s

% Change in
Price



$$e_p^s = 1$$

% Change
in Q^s

% Change
in Price

[REDACTED]

[REDACTED]







$$e_p^s = \frac{\% \Delta Q^s}{\% \Delta P}$$

Large change in Q^s in
response to a small
change in price: Supply
is Elastic

The change in Q^s is the same as change in price:

Supply is Unit Elastic

Small change in Q^s in
response to a larger
change in price: Supply
is **Inelastic**

Three possible answers for the Price Elasticity of Supply:

$$e_p^s = \frac{\% \Delta Q^s}{\% \Delta P}$$

Three possible answers for the Price Elasticity of Supply:

$$e_p^s > 1$$



% Change in Q^s $>$ % Change in Price

Large change in Q^s in response to a small change in price: Supply is **Elastic**

$$e_p^s = 1$$



% Change in Q^s $=$ % Change in Price

The change in Q^s is the same as change in price: Supply is **Unit Elastic**

$$e_p^s < 1$$



% Change in Q^s $<$ % Change in Price

Small change in Q^s in response to a larger change in price: Supply is **Inelastic**

