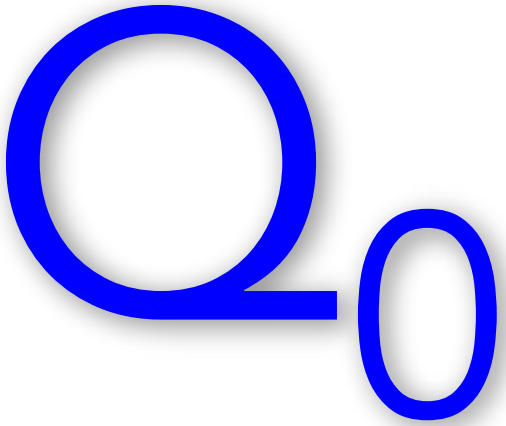
$$e_p^S = \frac{\%\Delta Q^S}{\%\Delta P}$$

P

Supply


P0


P1




Q1


%ΔΩ^S

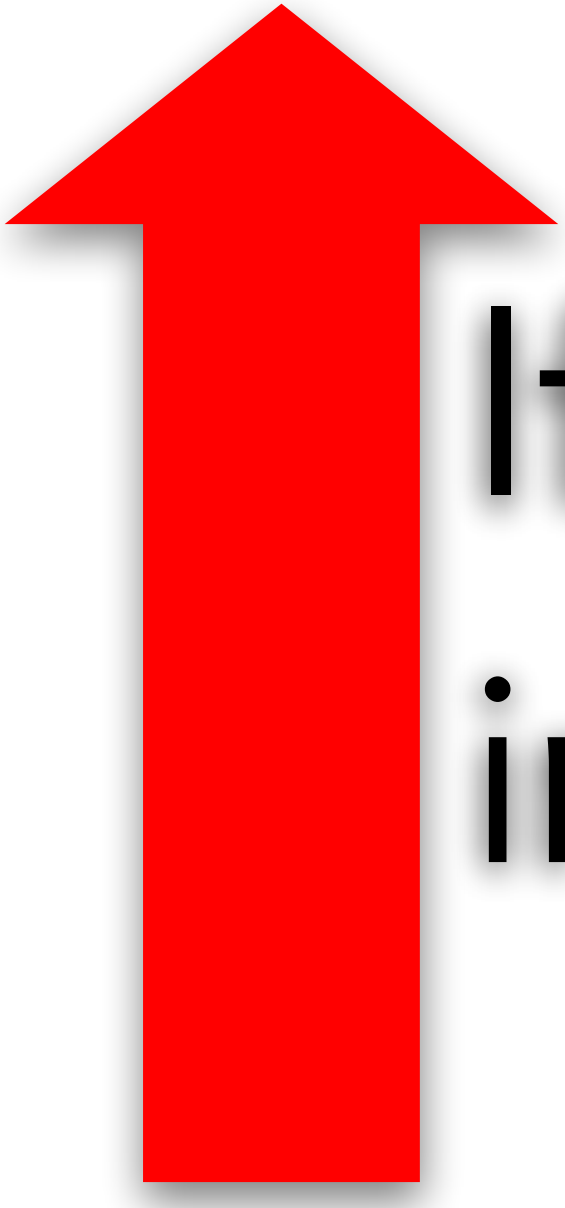

%ΔP


Always
Positive

Price Elasticity of Supply

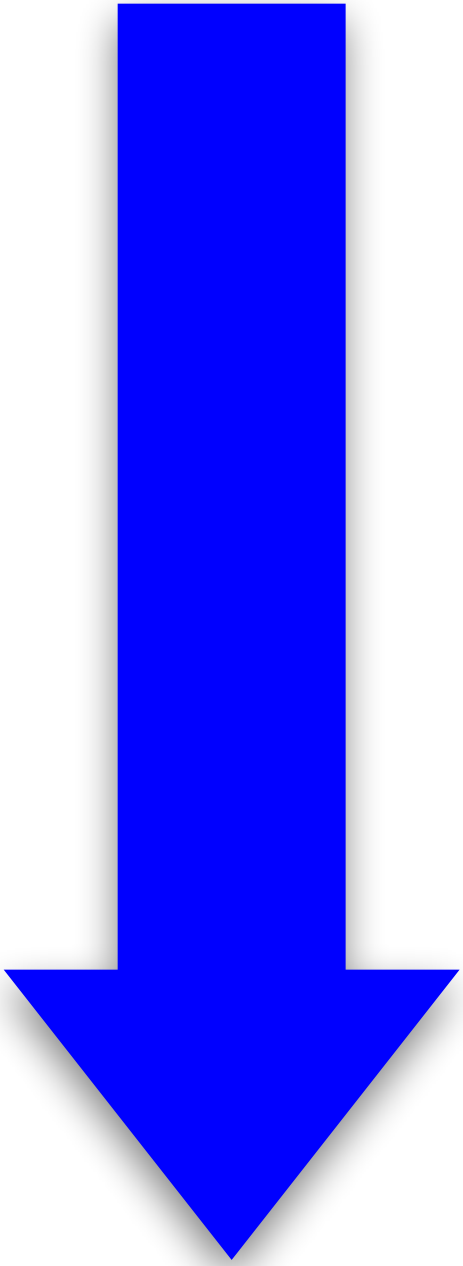
Formula is the same as the one for elasticity of demand

$$e_p{}^S = \frac{\%\text{Change in } Q^S}{\%\text{Change in P}}$$



If price increase

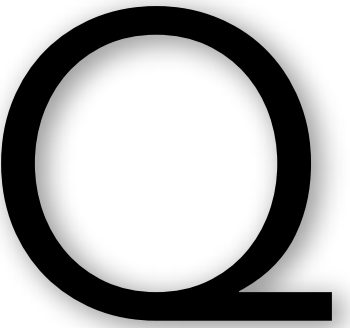

Q^s increase



If price drops

Q^s drops

Price and Q^s have a positive relationship

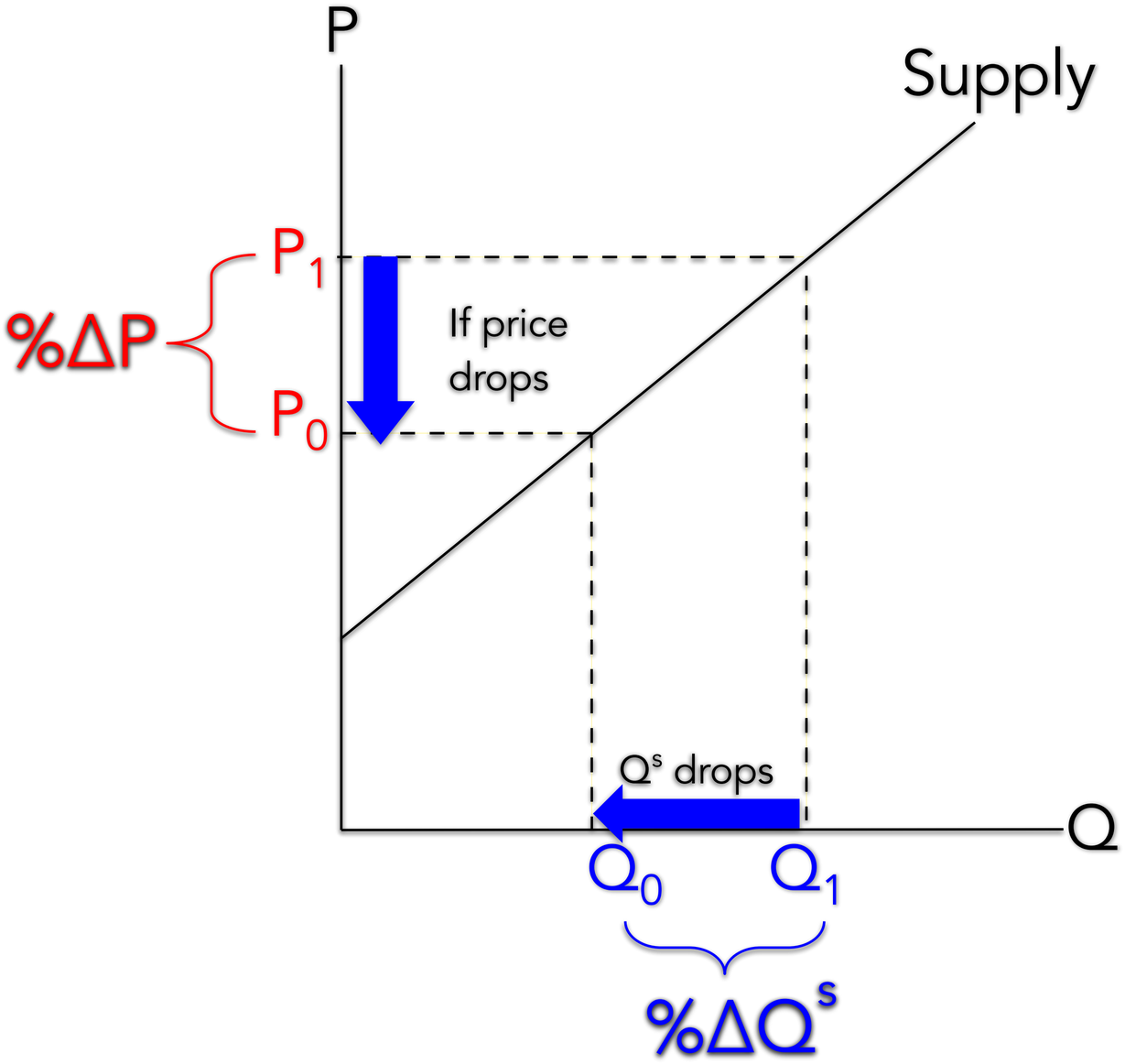


Price Elasticity of Supply

Always Positive

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

Price and Q^s have a positive relationship



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