



1

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16



100



110

100

130









[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]



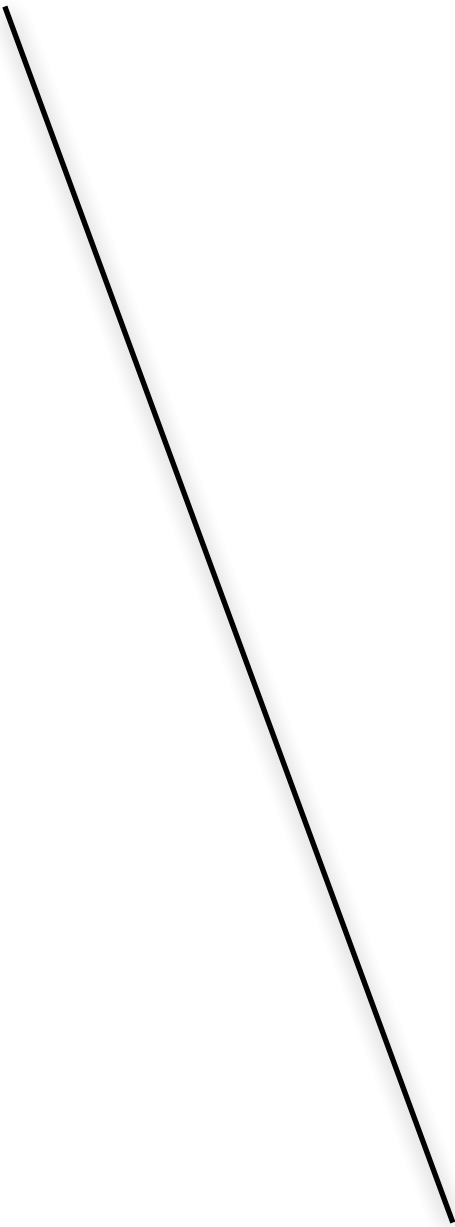


100

110

100

105







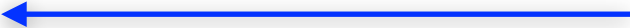


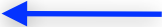
This consumer's reaction (the change in quantity purchased) is **larger** than the change in **price**

This consumer's reaction (the change in quantity purchased) is smaller than the change in price









Small decrease in  $Q$







n

**S**



Q

e



h





W



h

e

**S**

e





W



C



n

**S**

u

mm



e



**S**



e

a

C











h

e

S

a

m





C

h

a

n

9

e





n

**p**





C

e

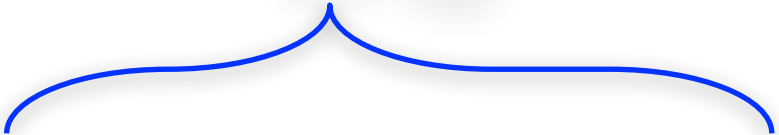


Price



Price

Big decrease  
in  $Q$



Quantity

Quantity











Dsam

DLeo



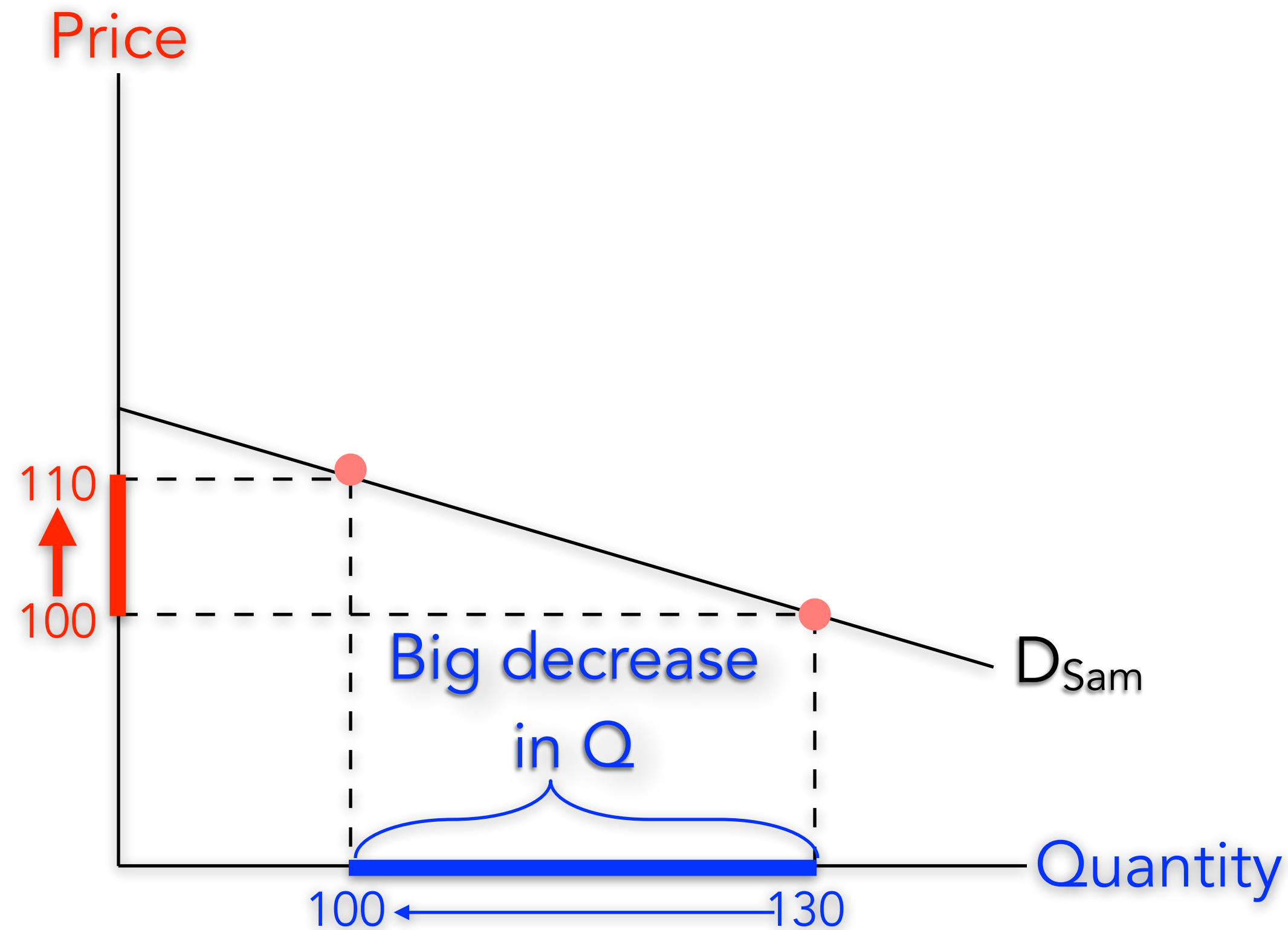




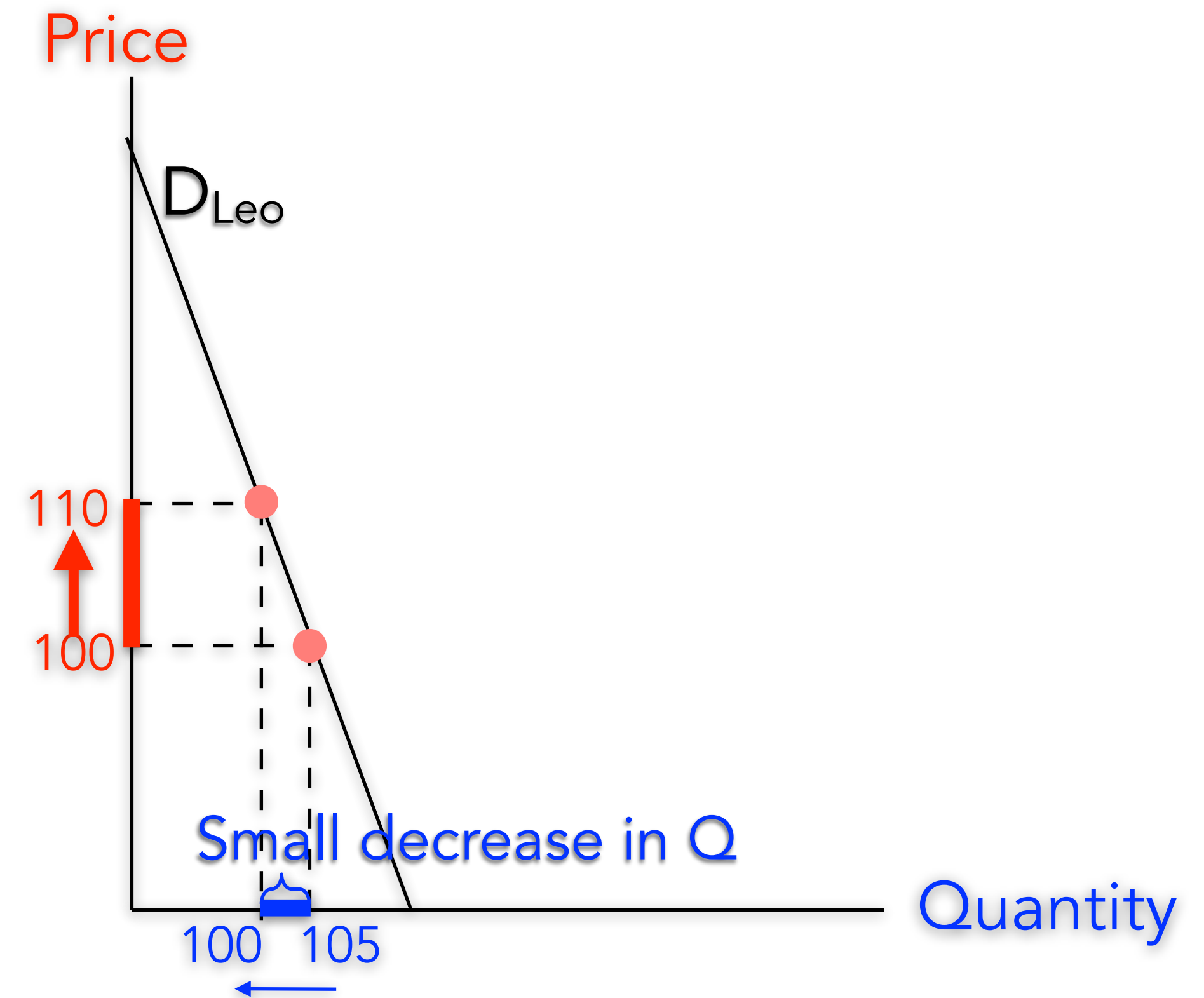


Consider **how** these two consumers react to  
the **same** change in price...

Consider **how** these two consumers react to the **same** change in price...



This consumer's reaction (the change in quantity purchased) is **larger** than the change in **price**



This consumer's reaction (the change in quantity purchased) is **smaller** than the change in **price**



