













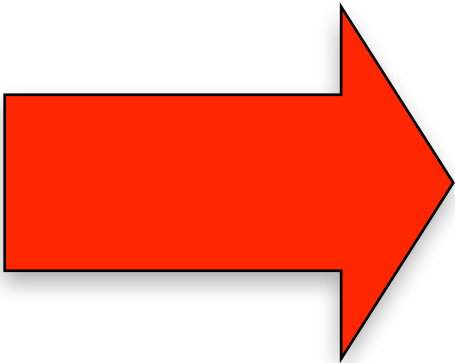


1. The number of Substitutes available

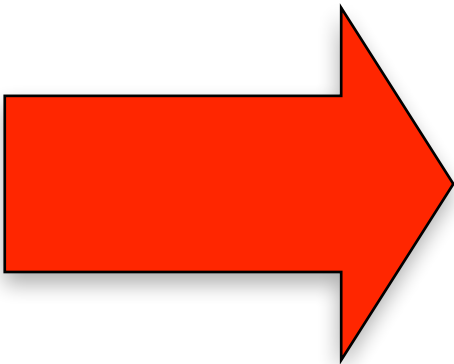


The more  
substitutes

The **easier** for  
consumers to avoid  
price increase

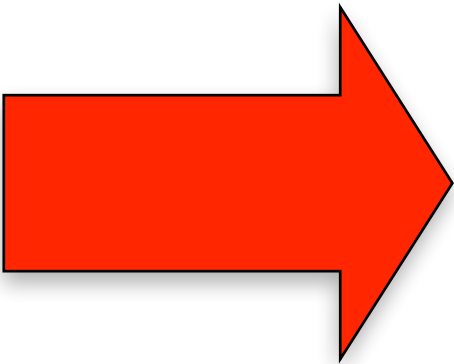


The **easier** to decrease  
quantity demanded in  
response to a price increase



The more elastic  
(sensitive) demand is

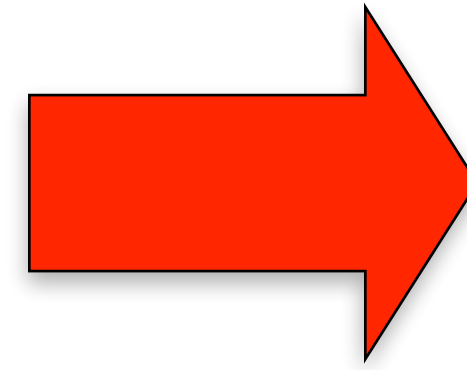
The **larger** the drop in  
quantity demanded in  
response to a price increase





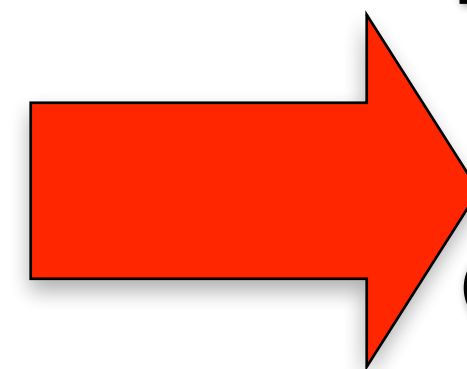
# 1. The number of Substitutes available

The **more**  
**substitutes**

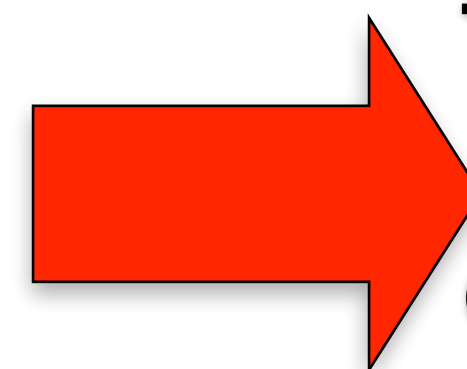


The **easier** for  
consumers to avoid  
price increase

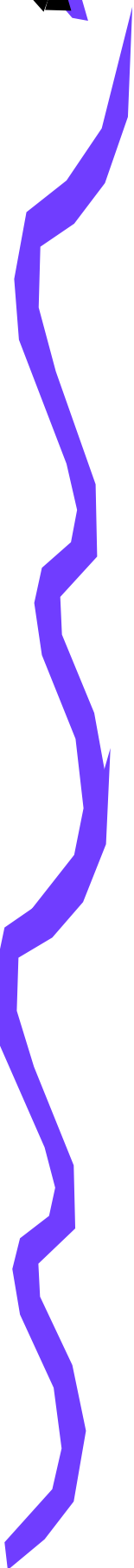
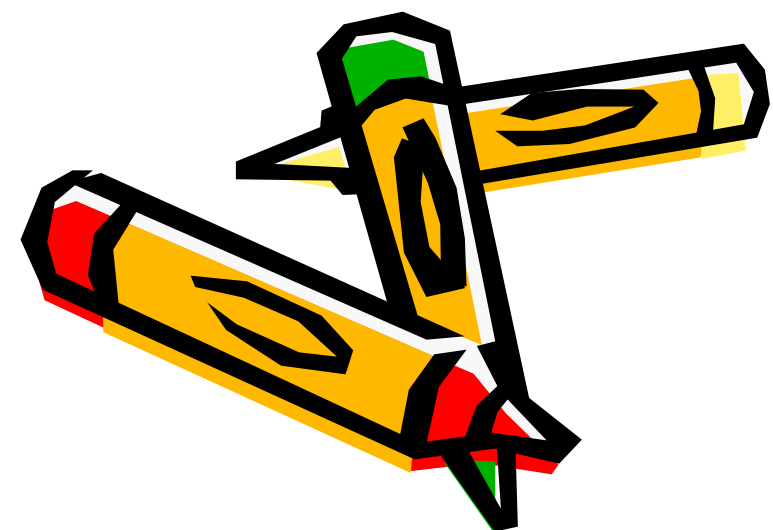
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What Determines the  
Elasticity?

