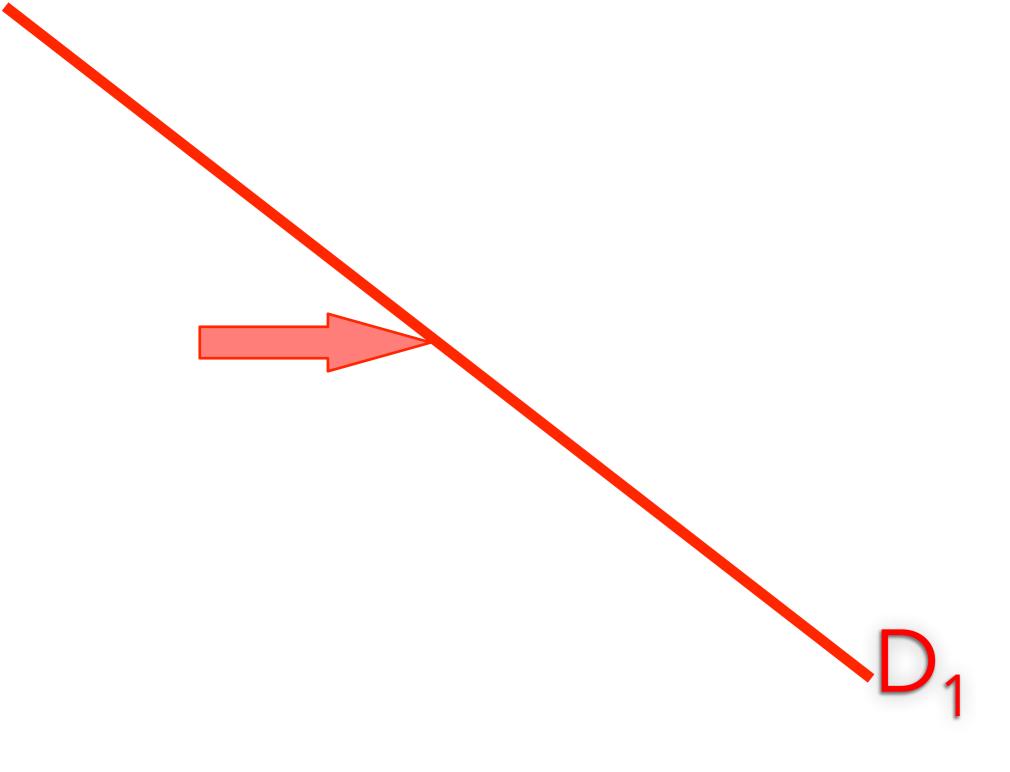
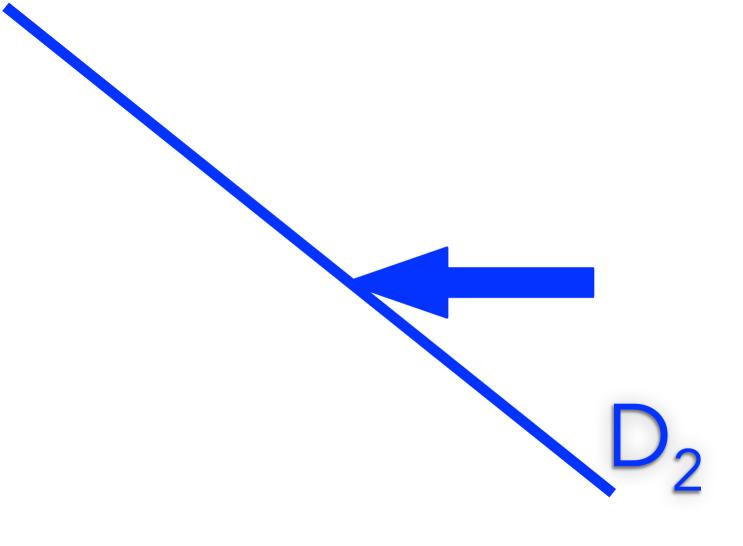


When a substitute of good x becomes more expensive,





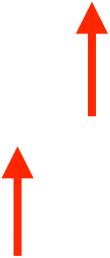






demand for good x increase

The cross price elasticity for substitute goods is always positive



When a complement of good x becomes more expensive,

demand for good x decrease

The cross price elasticity for complement goods is always negative

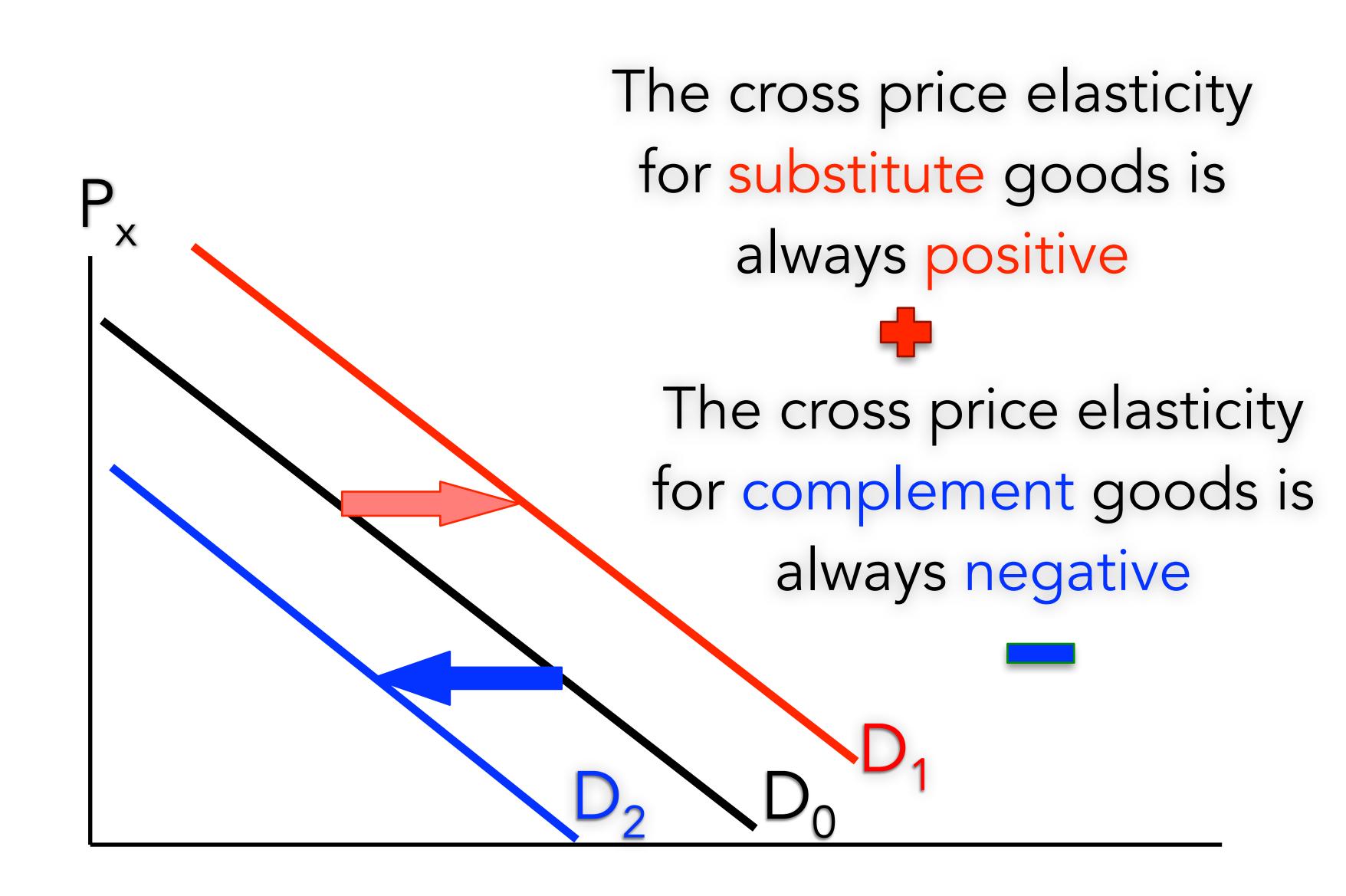


The sign of the Cross Price Elasticity tells us how are goods related...

The sign of the Cross Price Elasticity tells us how are goods related...

When a substitute of good x becomes more expensive, demand for good x increase

When a complement of good x becomes more expensive, demand for good x decrease



The size of the Cross Price Elasticity tells us how closely are goods related....