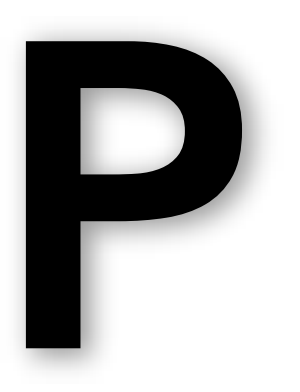
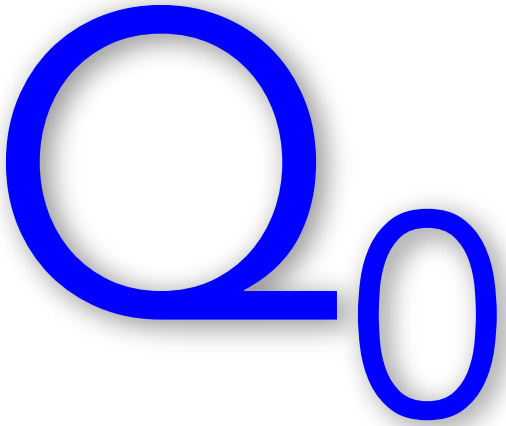
$$e_p^S = \frac{\%\Delta Q^S}{\%\Delta P}$$



Supply


P0


P1

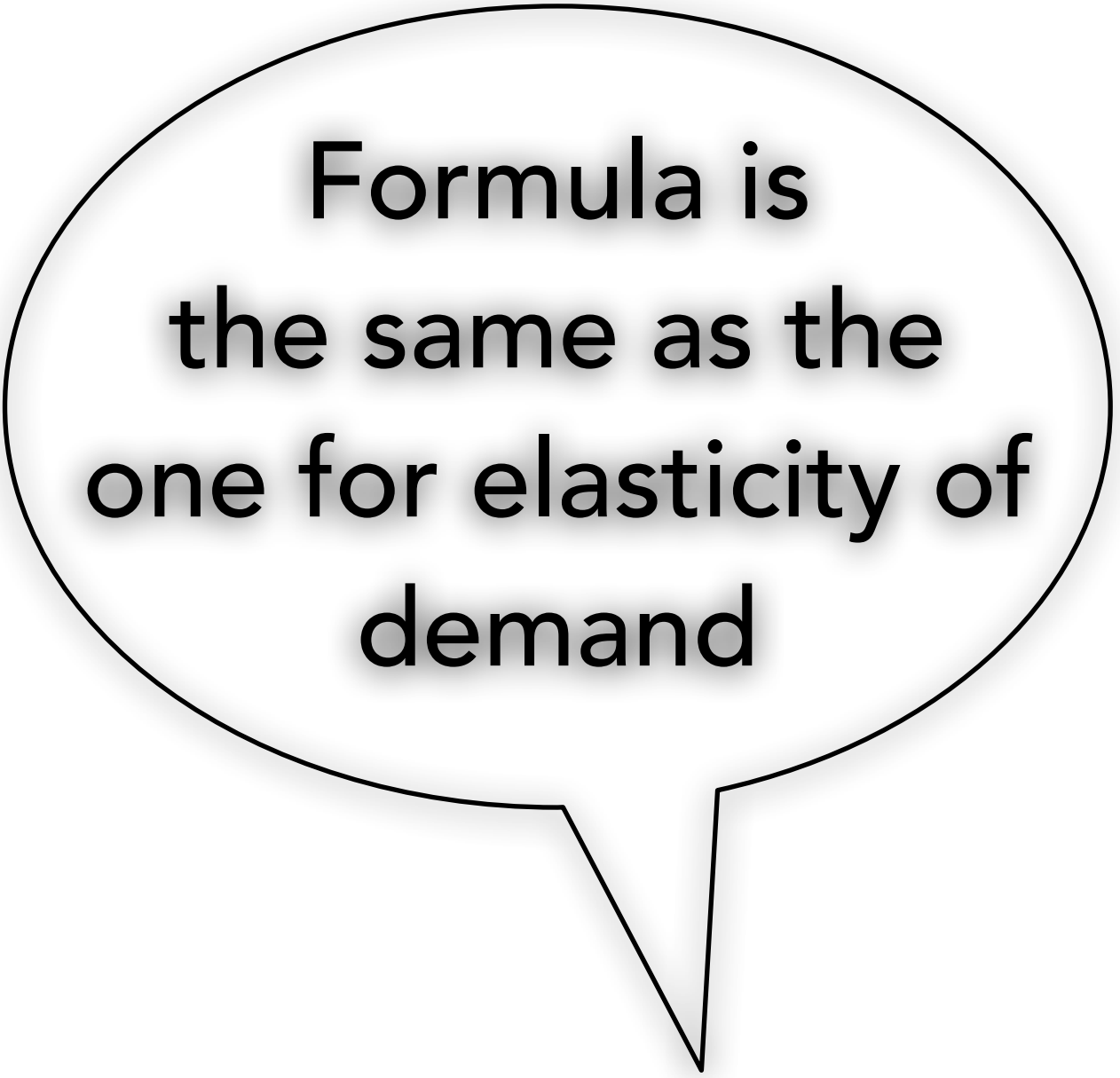



Q1

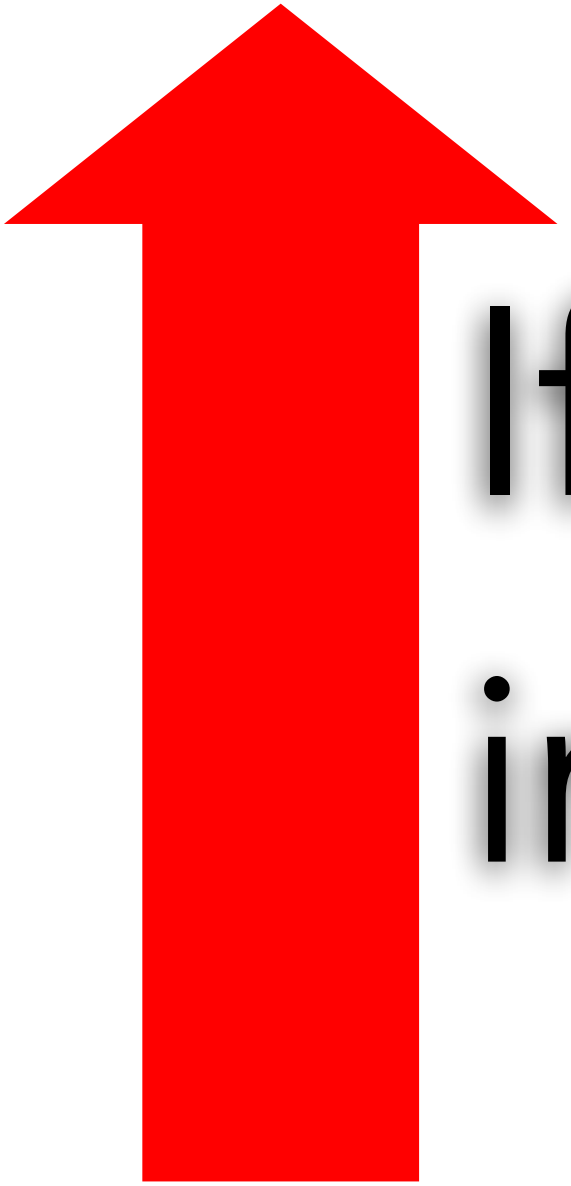

%ΔP


Always
Positive

Price Elasticity of Supply

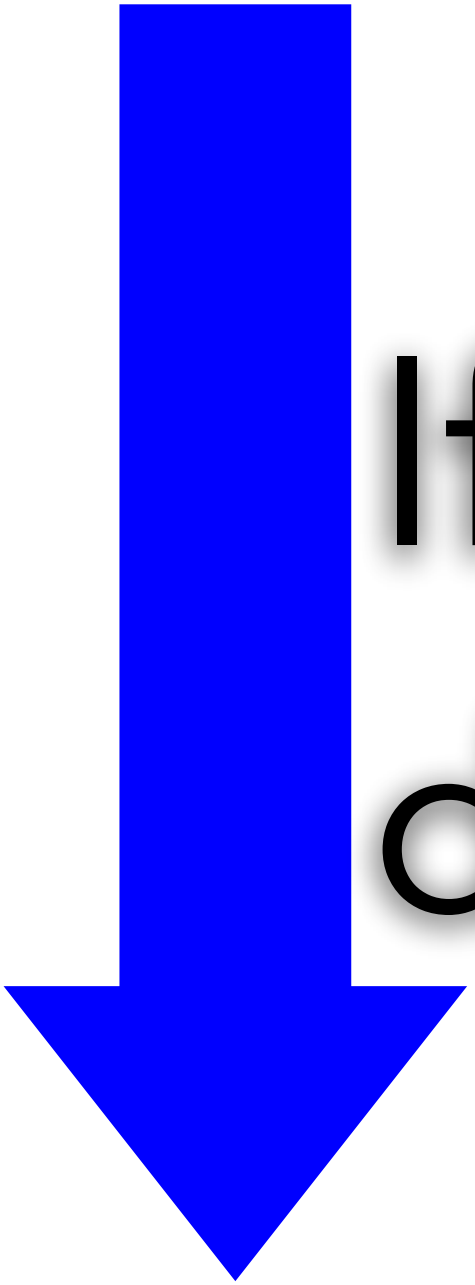

Formula is
the same as the
one for elasticity of
demand

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



If price increase


Q^s increase



If price drops


Q^s drops

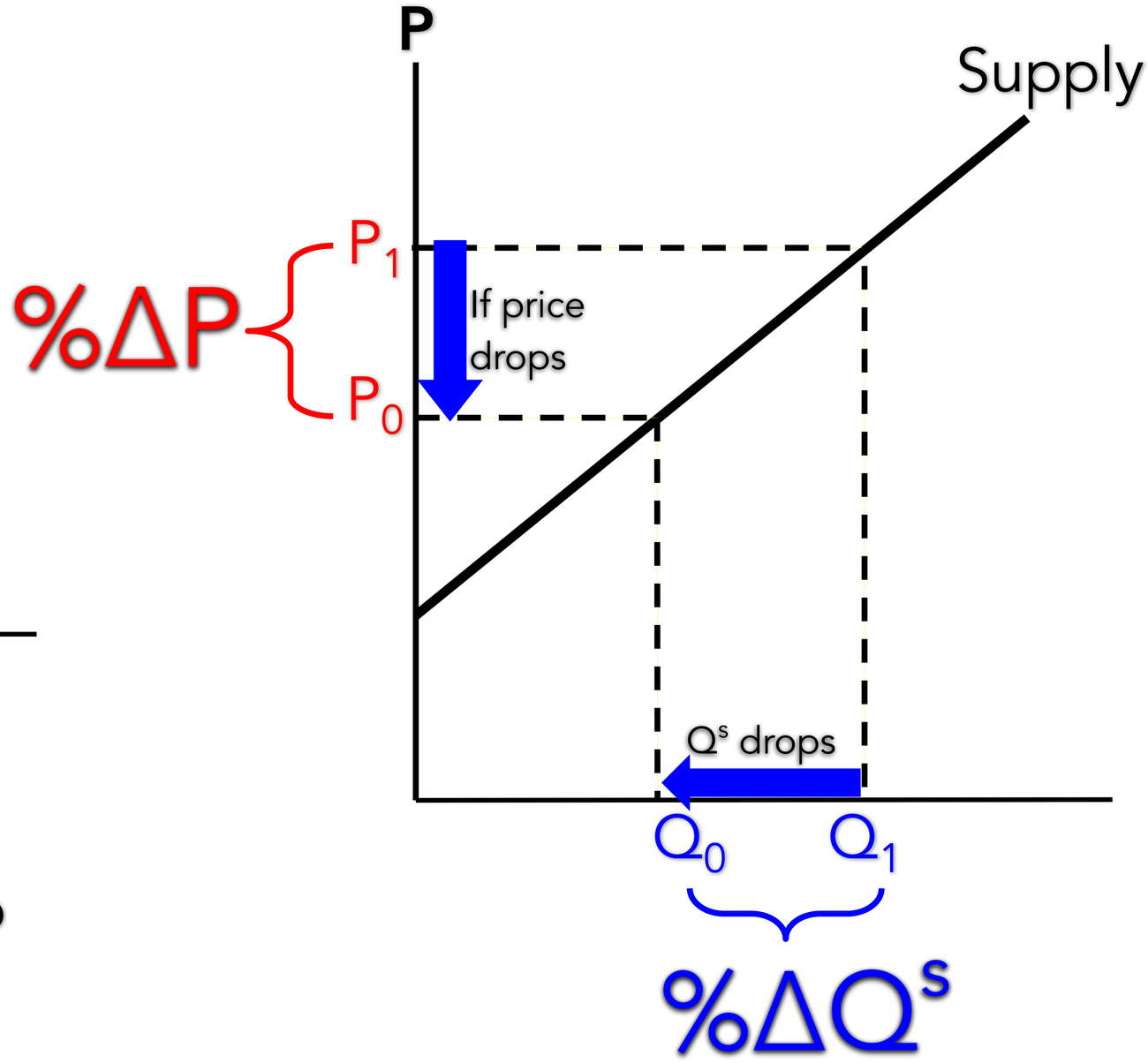
Price and Q^s have a positive relationship

Price Elasticity of Supply

Always Positive

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

Price and Q^S have a positive relationship



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