



Income	Demand Good X
1000	300
2000	400

$$e_{y^d} = \frac{\% \Delta D}{\% \Delta \text{Income}}$$

$e_y d =$

$$\left( \frac{\text{Change in } D}{\text{Average } D} \right)$$

$$\left( \frac{\text{Change in Income}}{\text{Average Income}} \right)$$

[REDACTED]

[REDACTED]

$$\left( \frac{400-300}{(400+300)/2} \right)$$

$$\left( \frac{2000 - 1000}{(2000+1000)/2} \right)$$

[REDACTED]

[REDACTED]



$$\left( \begin{array}{r} 100 \\ \hline 350 \end{array} \right)$$

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$$\left( \begin{array}{r} 1000 \\ \hline 1500 \end{array} \right)$$

[REDACTED]

[REDACTED]

$$\begin{pmatrix} 0.29 \\ 0.67 \end{pmatrix}$$

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Income	Demand Good X
1000	300
2000	400

$$e_y^d = \frac{\% \Delta D}{\% \Delta \text{Income}}$$

$$e_y^d = \frac{\left( \frac{\text{Change in } D}{\text{Average } D} \right)}{\left( \frac{\text{Change in Income}}{\text{Average Income}} \right)} = \frac{\left( \frac{400-300}{(400+300)/2} \right)}{\left( \frac{2000-1000}{(2000+1000)/2} \right)} = \frac{\left( \frac{100}{350} \right)}{\left( \frac{1000}{1500} \right)} = \left( \frac{0.29}{0.67} \right) = 0.43$$

$$e_y^d = \frac{\% \text{ change in demand}}{\% \text{ change in Income}}$$