

To measure a consumer's sensitivity to price changes

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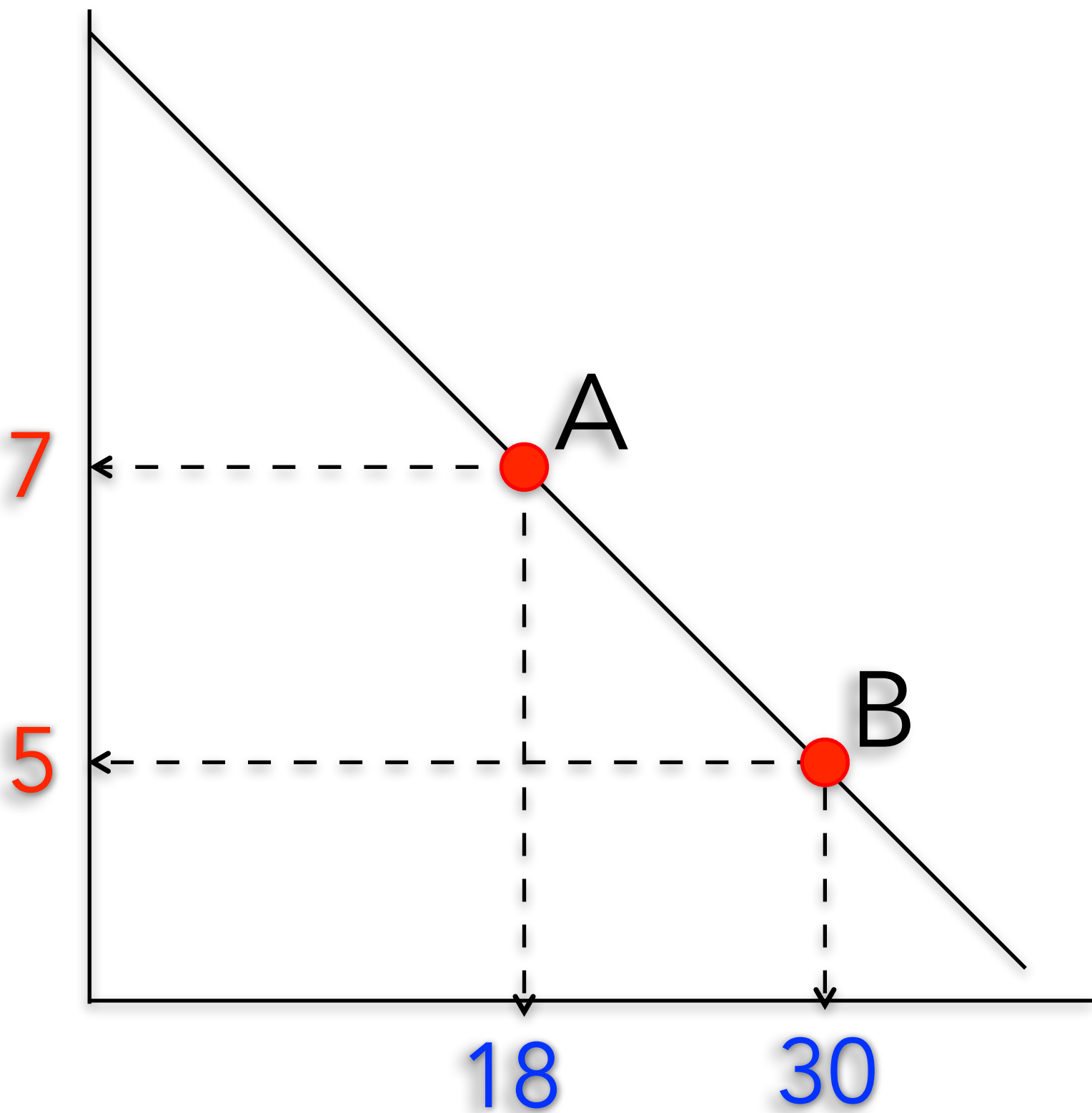


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We need to observe
his/her reaction to a
change in price

We need two points
(price, quantity) along
his/her demand line





elasticity

To measure a consumer's ^{elasticity} sensitivity to price changes

We need to observe
his/her reaction to a
change in price



We need two points
(**price**, **quantity**) along
his/her demand line

