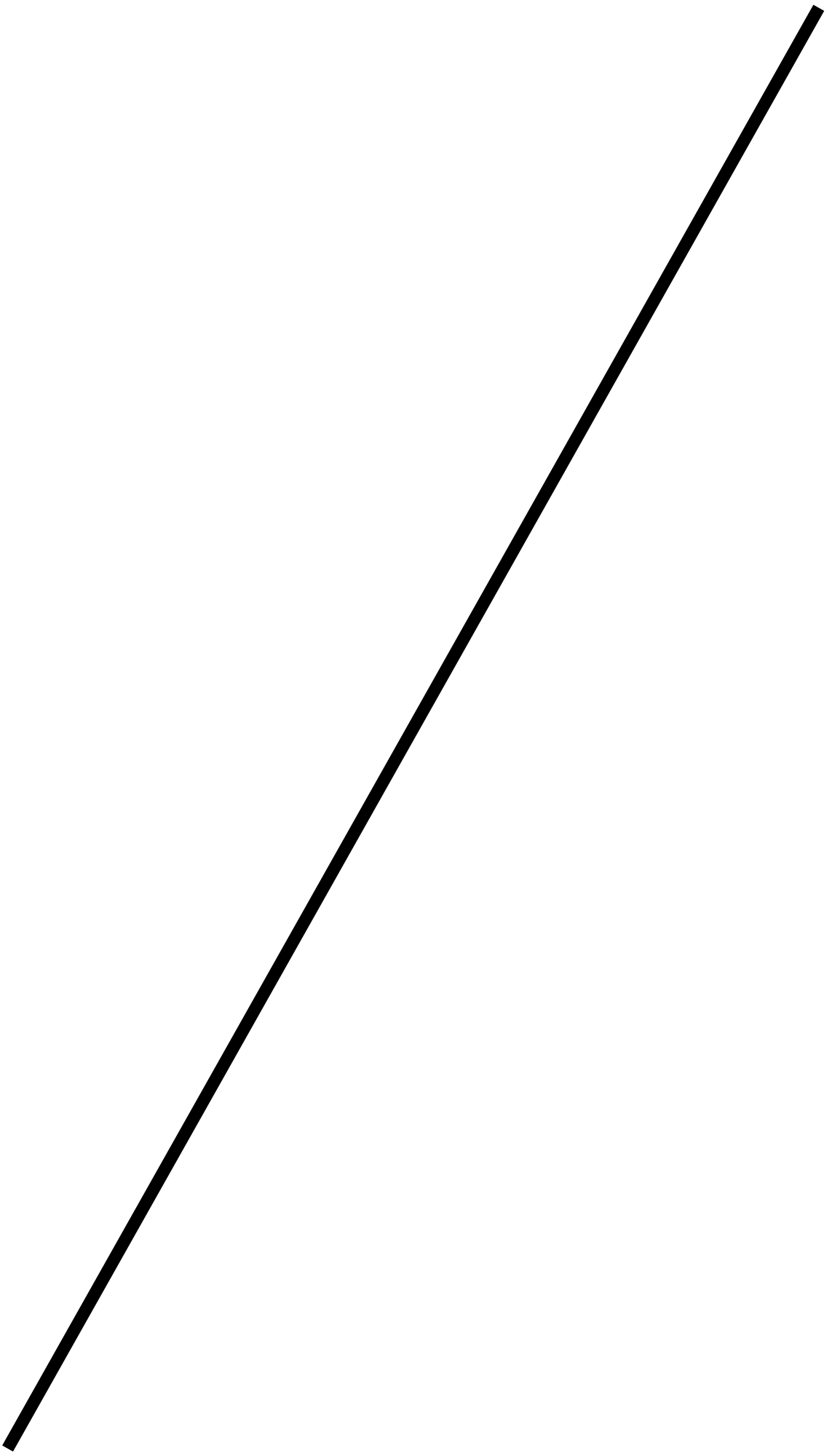
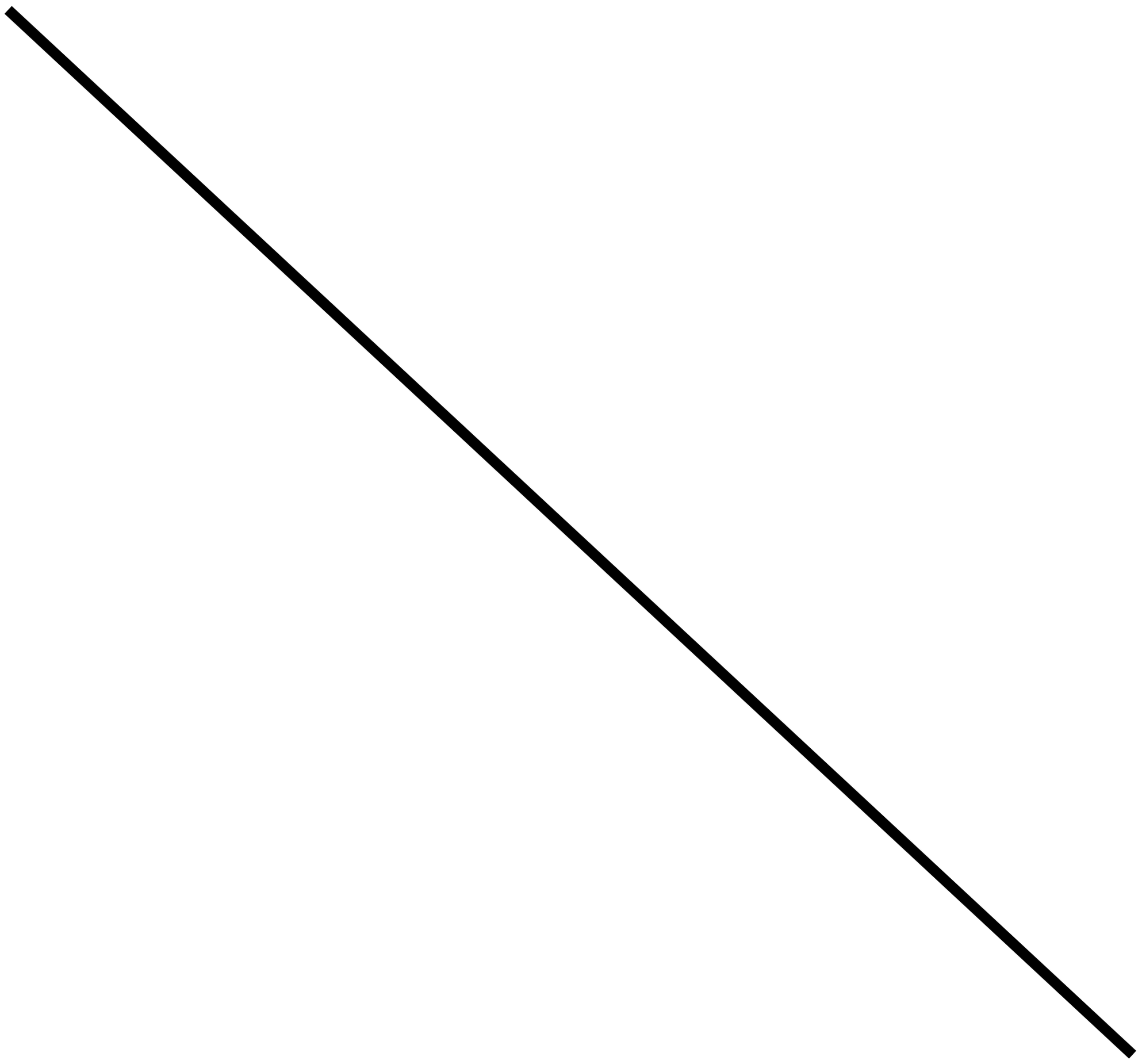
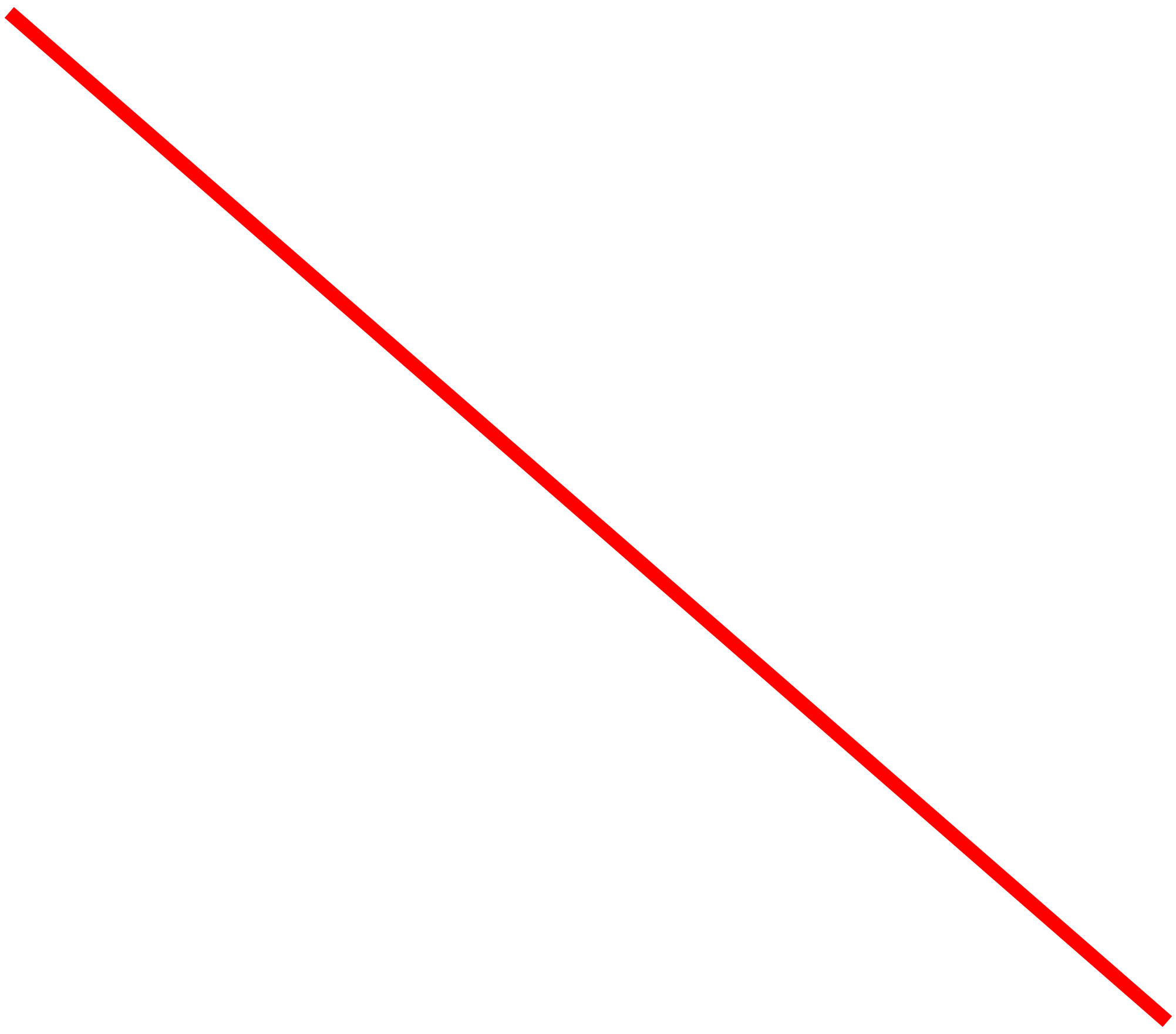
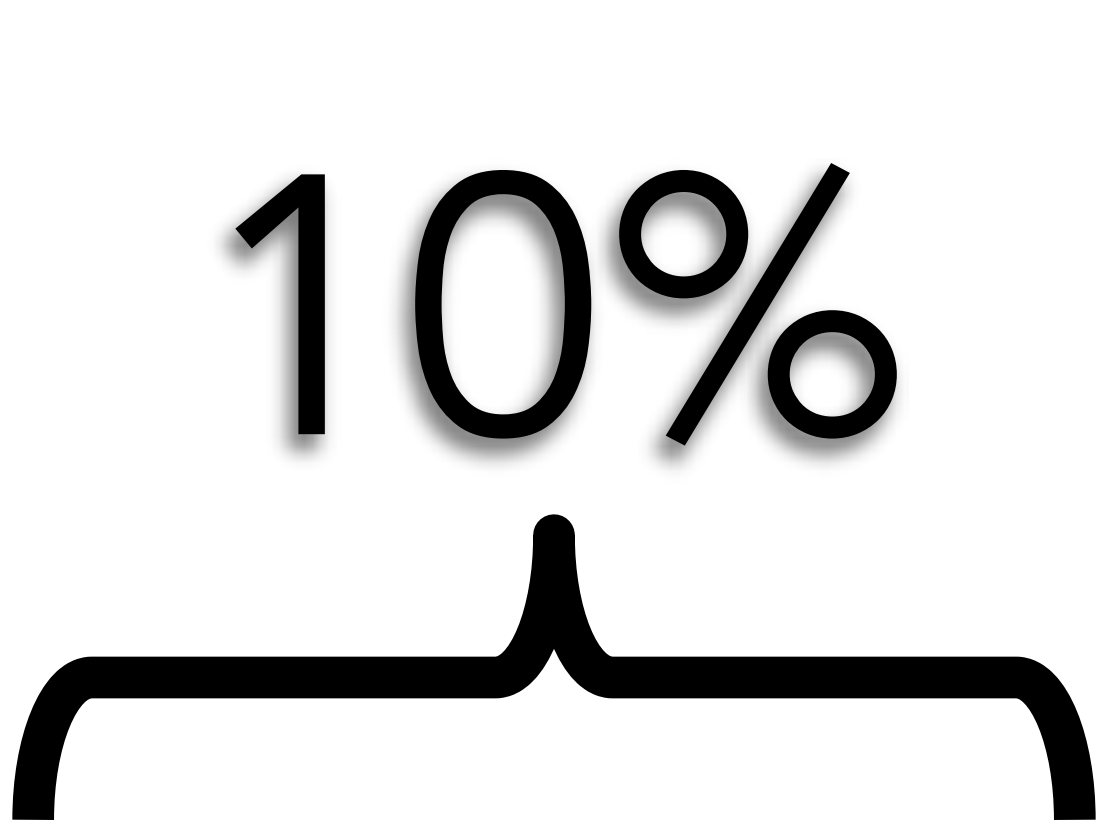
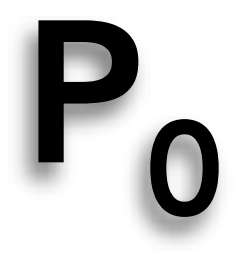


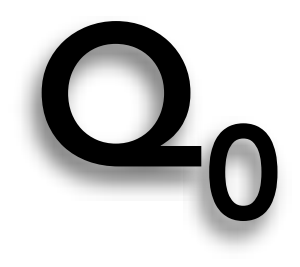





10%

}


P0


Q_0


P1


Q1

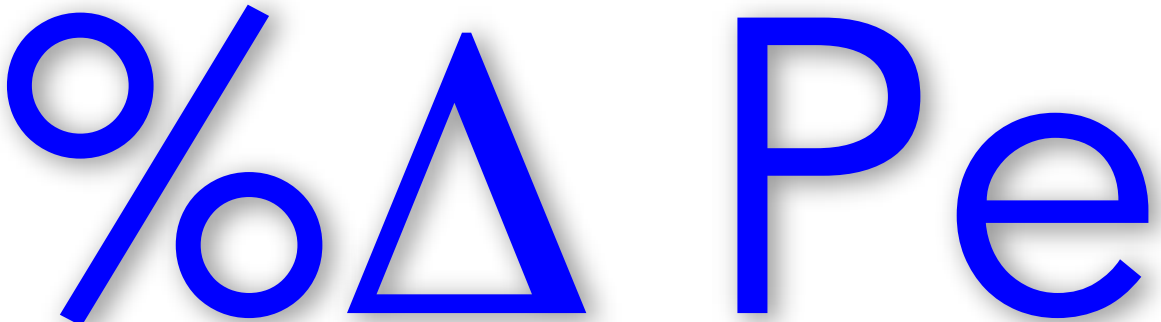
Demand elasticity = -1.5 Supply elasticity = 0.5. Demand increase by 10% calculate the change in Equilibrium Price

$$\% \Delta Pe = 10/2$$

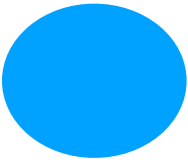
% Δ Pe = 5

Equilibrium Price increase by 5%

$$\%\Delta \text{ Price} = \frac{\%\Delta \text{ Demand}}{(e^d + e^s)}$$


%Δ Pe

$$\%\Delta\ Pe = \frac{10\%}{(1.5+0.5)}$$



Demand elasticity = -1.5 Supply elasticity = 0.5.
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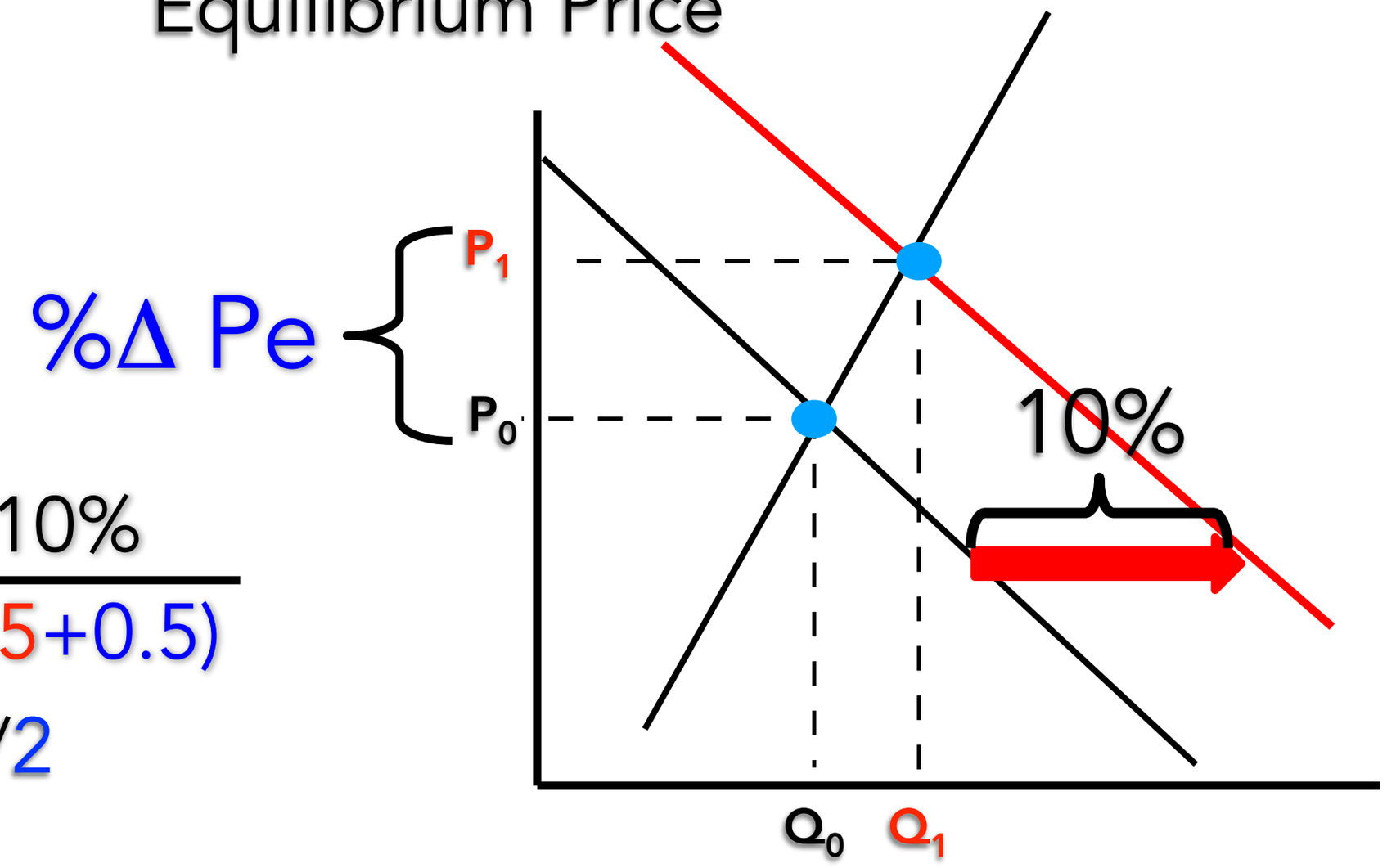

$$\%\Delta Pe = \frac{10\%}{(1.5+0.5)}$$

$$\%\ \Delta\ Pe = 10/2$$

$$\%\ \Delta\ Pe = 5$$

Equilibrium Price increase by 5%

$$\%\Delta \text{ Price} = \frac{\%\Delta \text{ Demand}}{(|e^d|+e^s)}$$