









## It has been observed that a 20% decrease in price, caused a 5% increase in quantity demanded

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 $e_p^d = 5\%/-20\% = -0.25$ 

Elasticity has

no units!

$$\int_{P}^{d} = \frac{\% \Delta Q^{d}}{\% \Delta P}$$

$$e_p^d = \frac{\% \triangle Q^d}{\% \triangle P}$$

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$$e_p^d = \frac{\% \triangle Q^d}{\% \triangle P}$$

It has been observed that a 5% increase in price, caused a 10% reduction in quantity demanded.