



1

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17



100



110

100

130









[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]



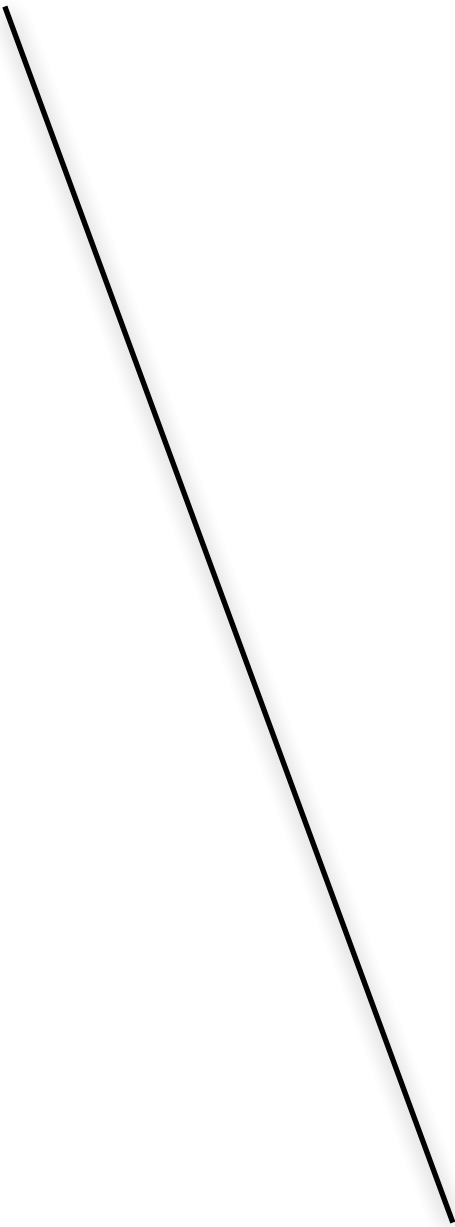


100

110

100

105







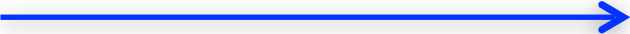


This consumer's reaction (the change in quantity purchased) is larger than the change in price

This consumer's reaction (the change in quantity purchased) is smaller than the change in price









Small increase in  $Q$







n

**S**



Q

e



h





W



h

e

**S**

e





W



C



n

**S**

u

mm



e



**S**



e

a

C











h

e

S

a

m







h

a

n

9

e





n

**p**





C

e



Price



Price

Big increase  
in  $Q$



Quantity

Quantity











Dsam

DLeo



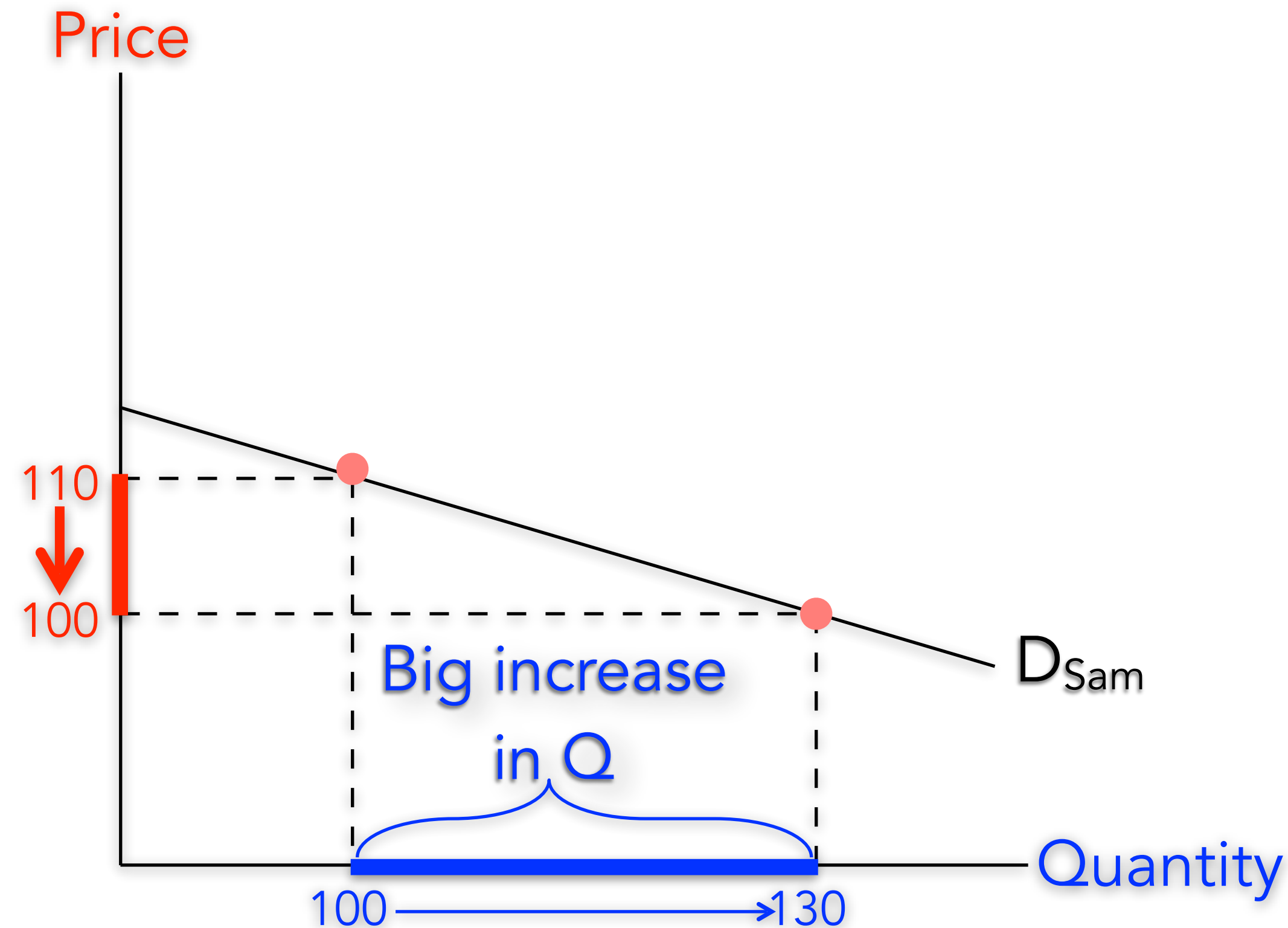




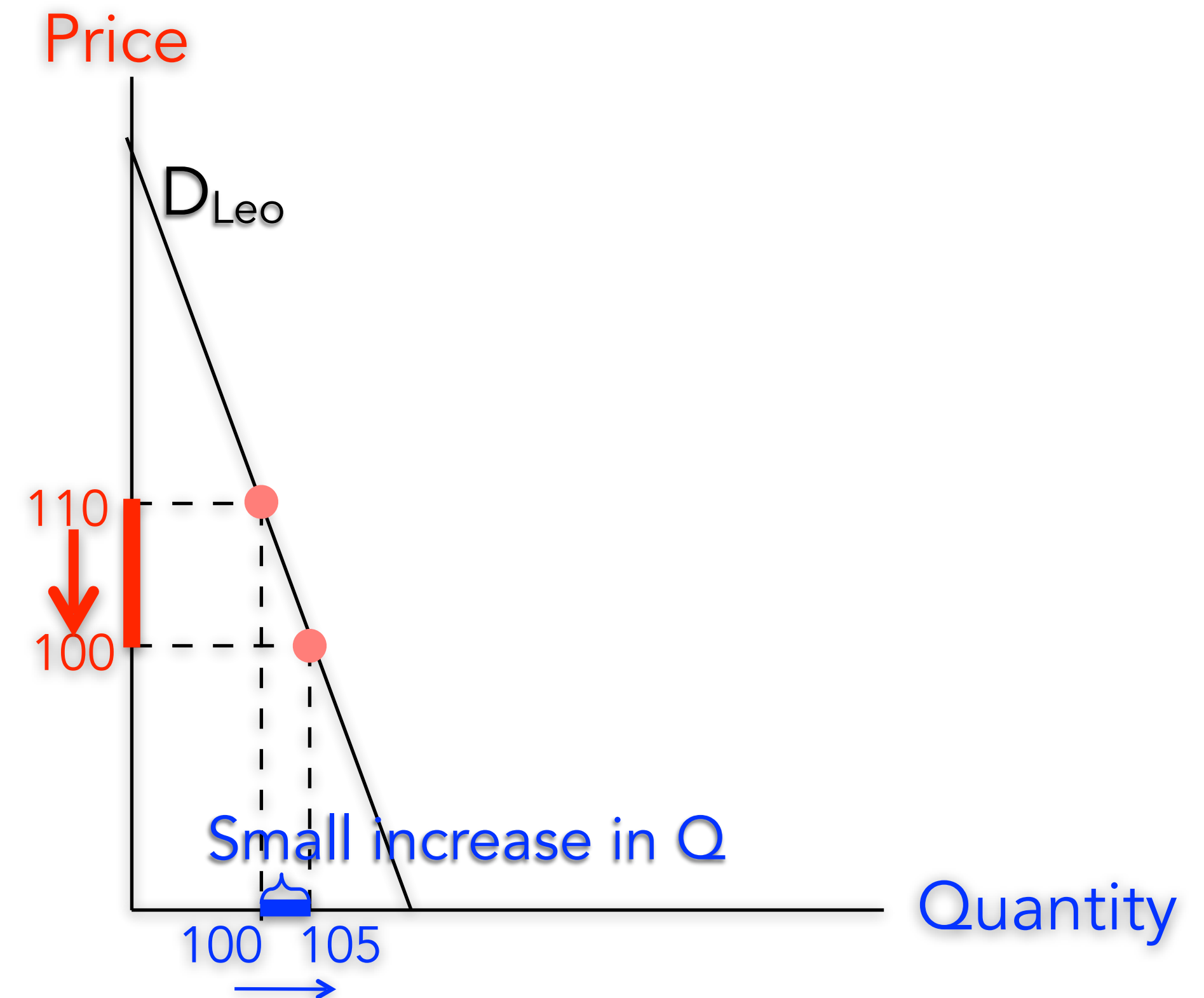


Consider **how** these two consumers react to  
the **same** change in price...

Consider **how** these two consumers react to the **same** change in price...



This consumer's reaction (the change in quantity purchased) is **larger** than the change in **price**



This consumer's reaction (the change in quantity purchased) is **smaller** than the change in **price**



