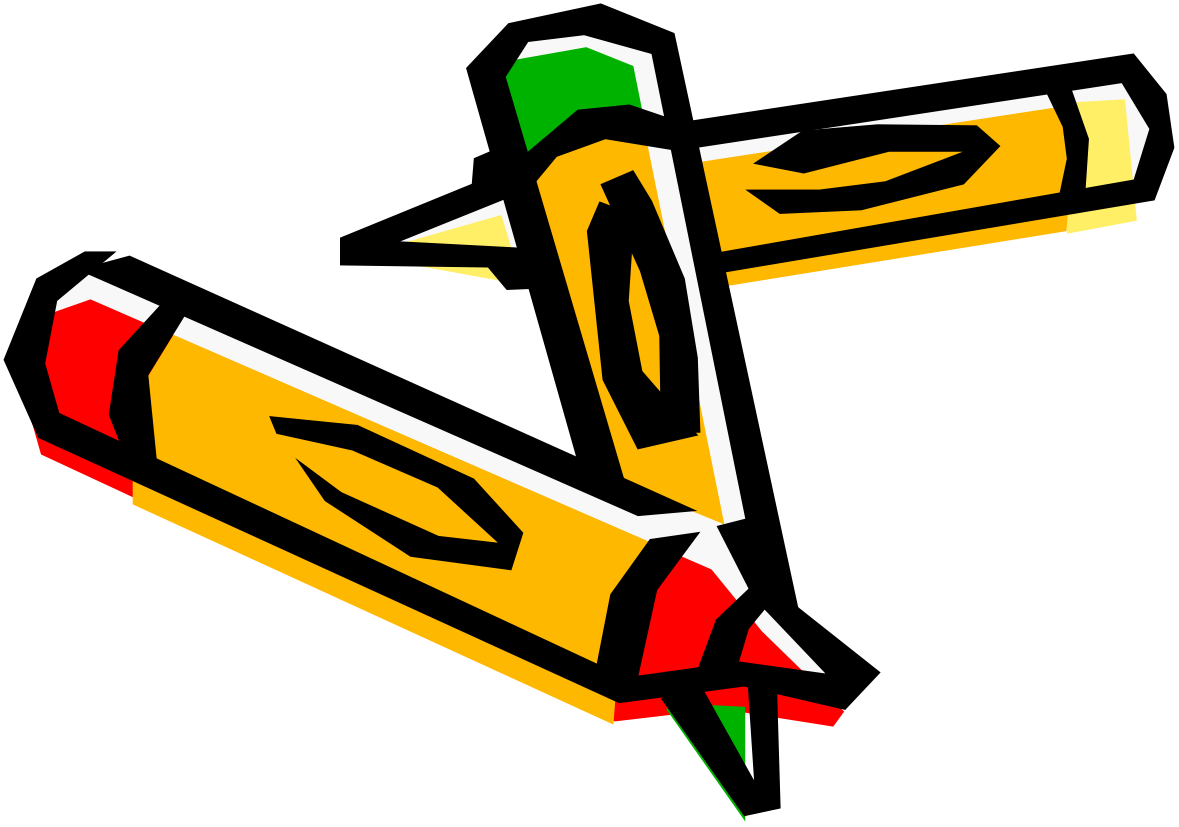
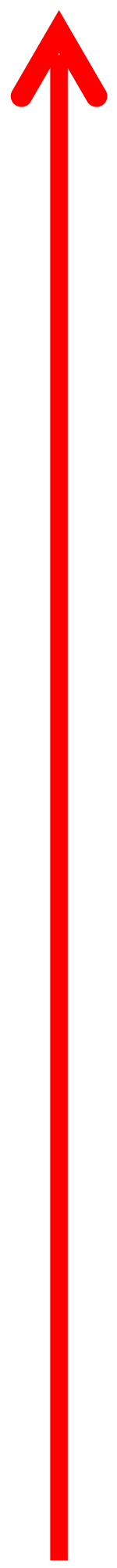
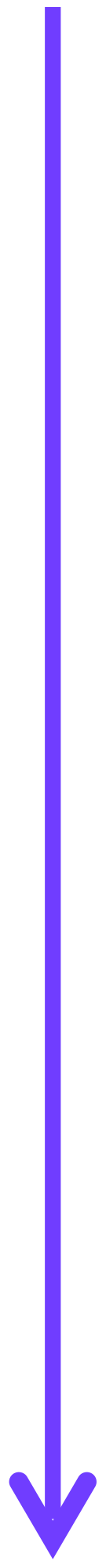
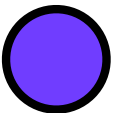


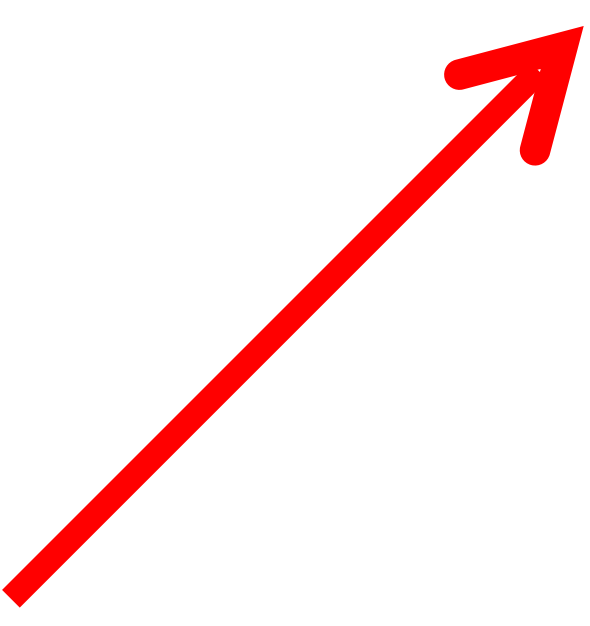


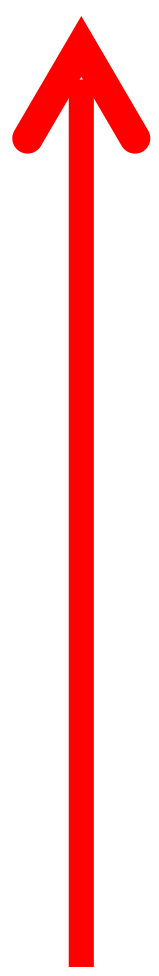


Make A the Midpoint

To calculate the elasticity at one point



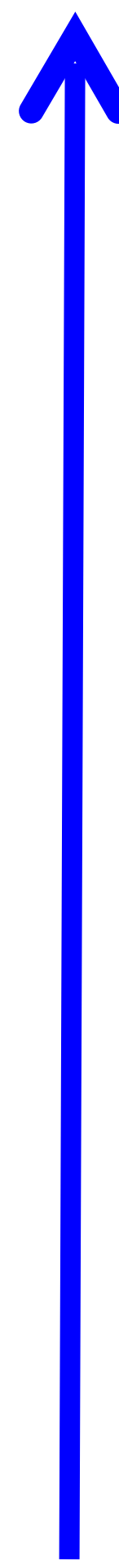




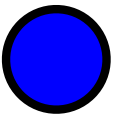

8

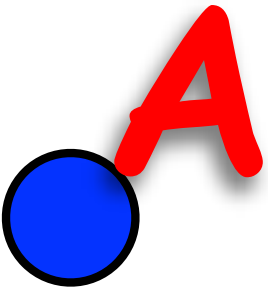

18

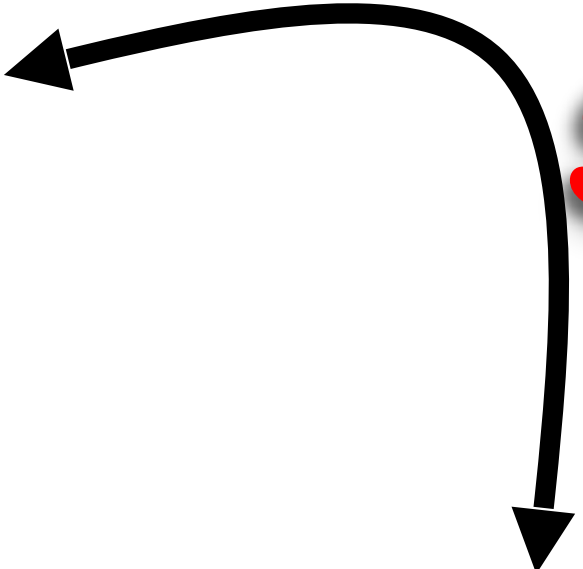

12




24




A



Same distance from A

Choose any point above A and any point below A

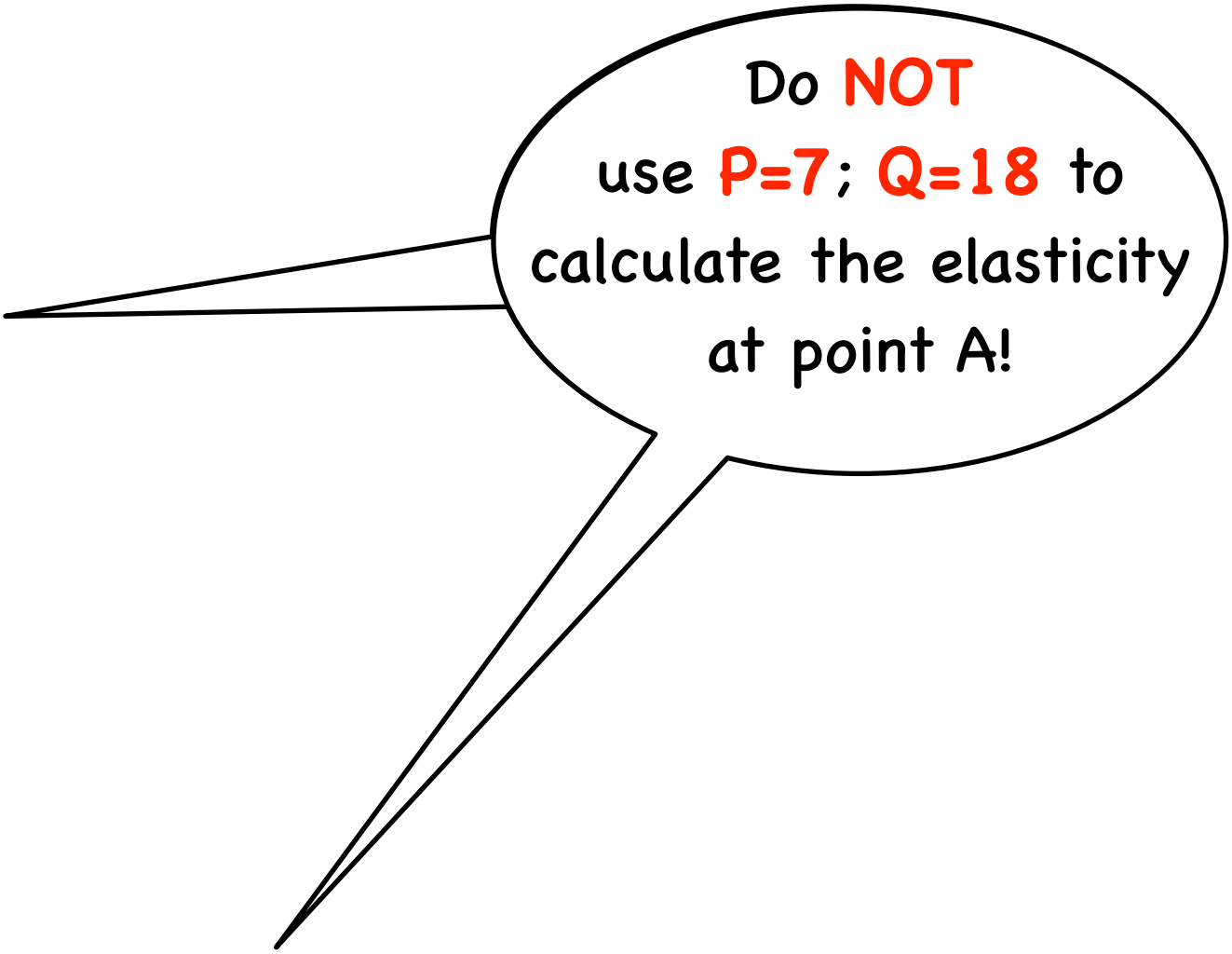
$$(24-12) \div [(24+12)]/2$$

$$= 0.67$$

%Δ Price =

$$(8-6) \div [(8+6)]/2$$

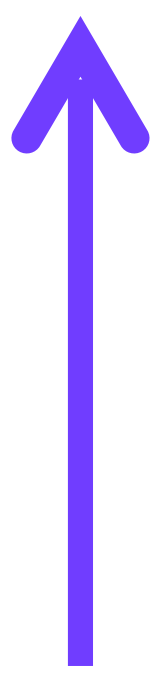
$= 0.29$

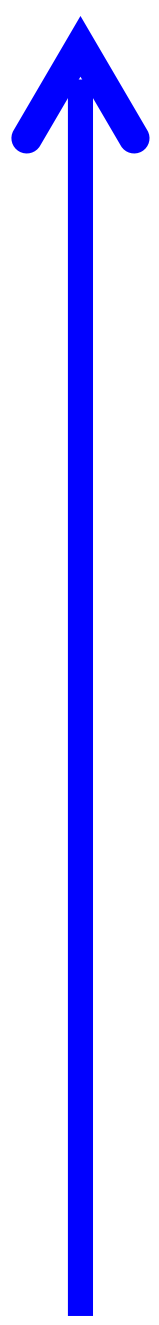

Do NOT
use P=7; Q=18 to
calculate the elasticity
at point A!

Price Elasticity of Demand at point

$A = 0.67/0.29$

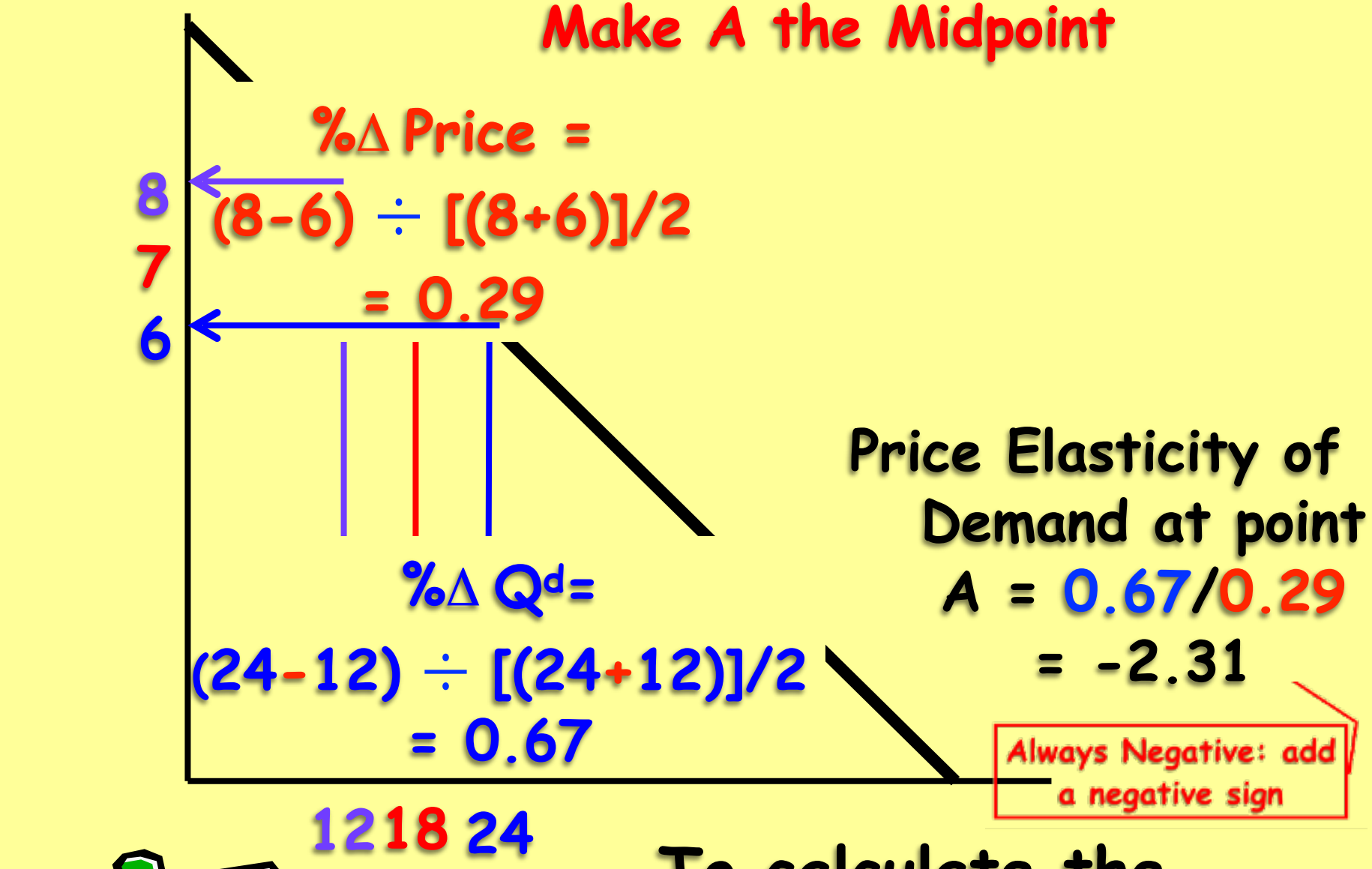
$= -2.31$





Always Negative: add a negative sign

Make A the Midpoint



Price Elasticity of Demand at point A = 0.67/0.29
= -2.31

Always Negative: add a negative sign

To calculate the elasticity at one point

Elasticity at point B