

Income	Quantity Demanded for Good X
1000	300
2000	400

$$e_{y_d} = \frac{\% \Delta Q_d}{\% \Delta \text{Income}}$$

$e_y d =$

$$\left(\frac{\text{Change in } Q_d}{\text{Average } Q_d} \right)$$

$$\left(\frac{\text{Change in Income}}{\text{Average Income}} \right)$$



$$\left(\frac{400-300}{(400+300)/2} \right)$$

$$\left(\frac{2000 - 1000}{(2000+1000)/2} \right)$$



$$\left(\begin{array}{r} 100 \\ \hline 350 \end{array} \right)$$

$$\left(\begin{array}{r} 1000 \\ \hline 1500 \end{array} \right)$$



$$\left(\frac{0.29}{0.67} \right)$$



0.43

Income	Quantity Demanded for Good X
1000	300
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$$e_y^d = \frac{\% \Delta Q^d}{\% \Delta \text{Income}}$$

$$e_y^d = \frac{\left(\frac{\text{Change in } Q^d}{\text{Average } Q^d} \right)}{\left(\frac{\text{Change in Income}}{\text{Average Income}} \right)} = \frac{\left(\frac{400-300}{(400+300)/2} \right)}{\left(\frac{2000-1000}{(2000+1000)/2} \right)} = \frac{\left(\frac{100}{350} \right)}{\left(\frac{1000}{1500} \right)} = \left(\frac{0.29}{0.67} \right) = 0.43$$

$$e_y^d = \frac{\% \text{ change in demand}}{\% \text{ change in Income}}$$