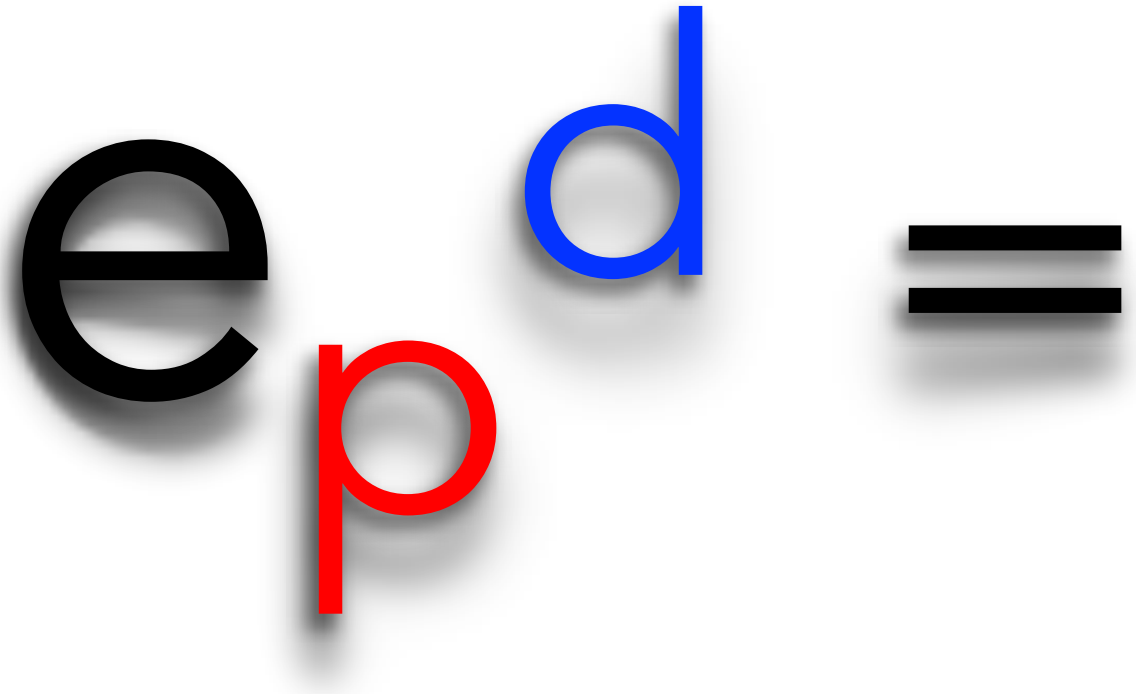
% change in Price

% change in Q^d

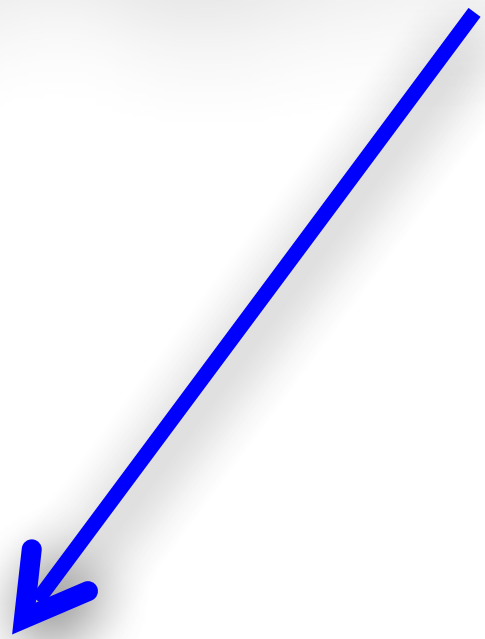
Size of the change in Q^d

Size of the change in Price



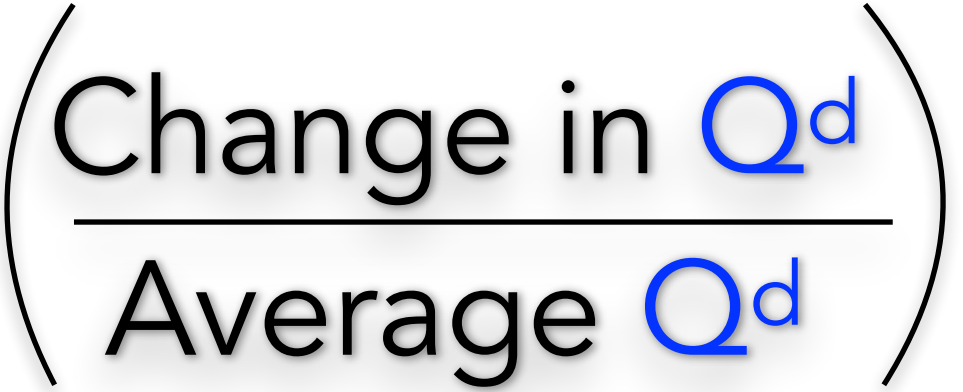

Price

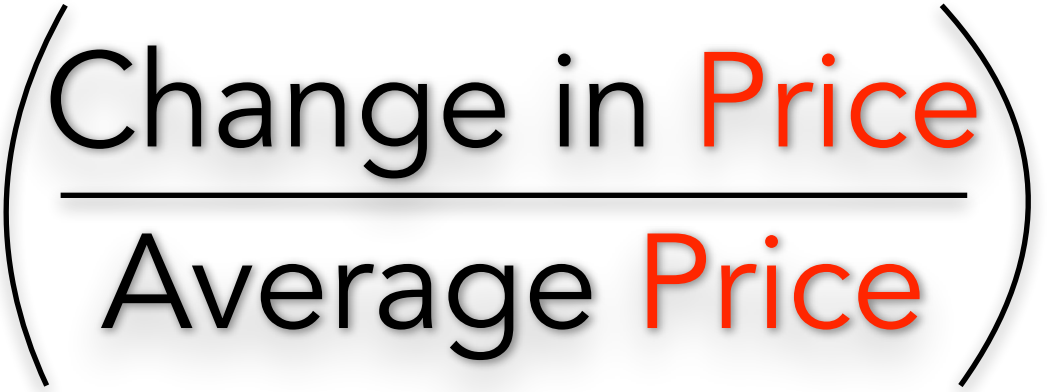
Demand



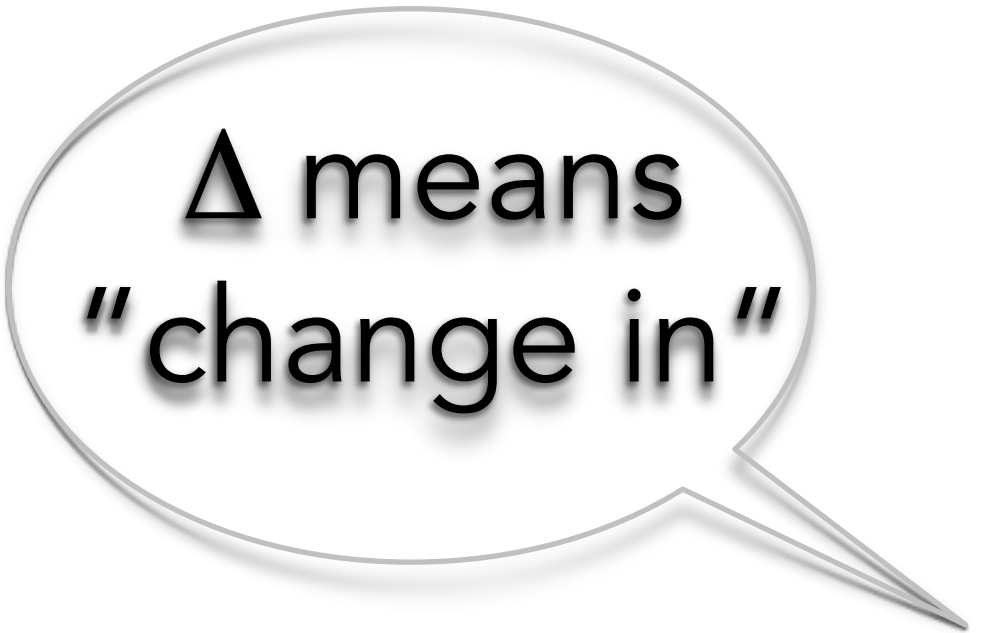
Formula to calculate the elasticity

Formula to calculate the price elasticity of demand


Change in Q^d
Average Q^d


Change in Price
Average Price

$$e_p^d = \frac{\%\Delta Q^d}{\%\Delta \text{Price}}$$


Δ means
"change in"


% change in Q^d

% change in Price

Formula to calculate the price elasticity of demand

Demand

$$e_p{}^d = \frac{\text{Size of the change in } Q^d}{\text{Size of the change in Price}} = \frac{\left(\frac{\text{Change in } Q^d}{\text{Average } Q^d}\right)}{\left(\frac{\text{Change in Price}}{\text{Average Price}}\right)}$$

$$\frac{\%\text{ change in } Q^d}{\%\text{ change in Price}}$$

Price

Δ means "change in"

$$e_p{}^d = \frac{\%\Delta Q^d \longrightarrow \%\text{ change in } Q^d}{\%\Delta \text{Price} \longrightarrow \%\text{ change in Price}}$$

To measure a consumer’s sensitivity to price changes