





#### Total Revenue Before







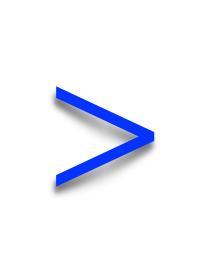




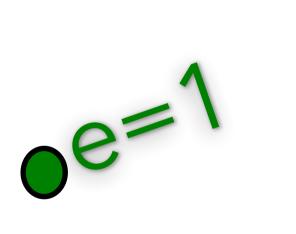








## TR increase





#### Total Revenue After



# Because

### Increasing Supply, cause a decrease in price and an increase in Q<sup>d</sup>

If consumers are
sensitive to prices, it is
in the producers' best
interest to increase
supply

Increasing Supply, cause an increase in Total Revenue for

producers if demand is elastic (e>1)

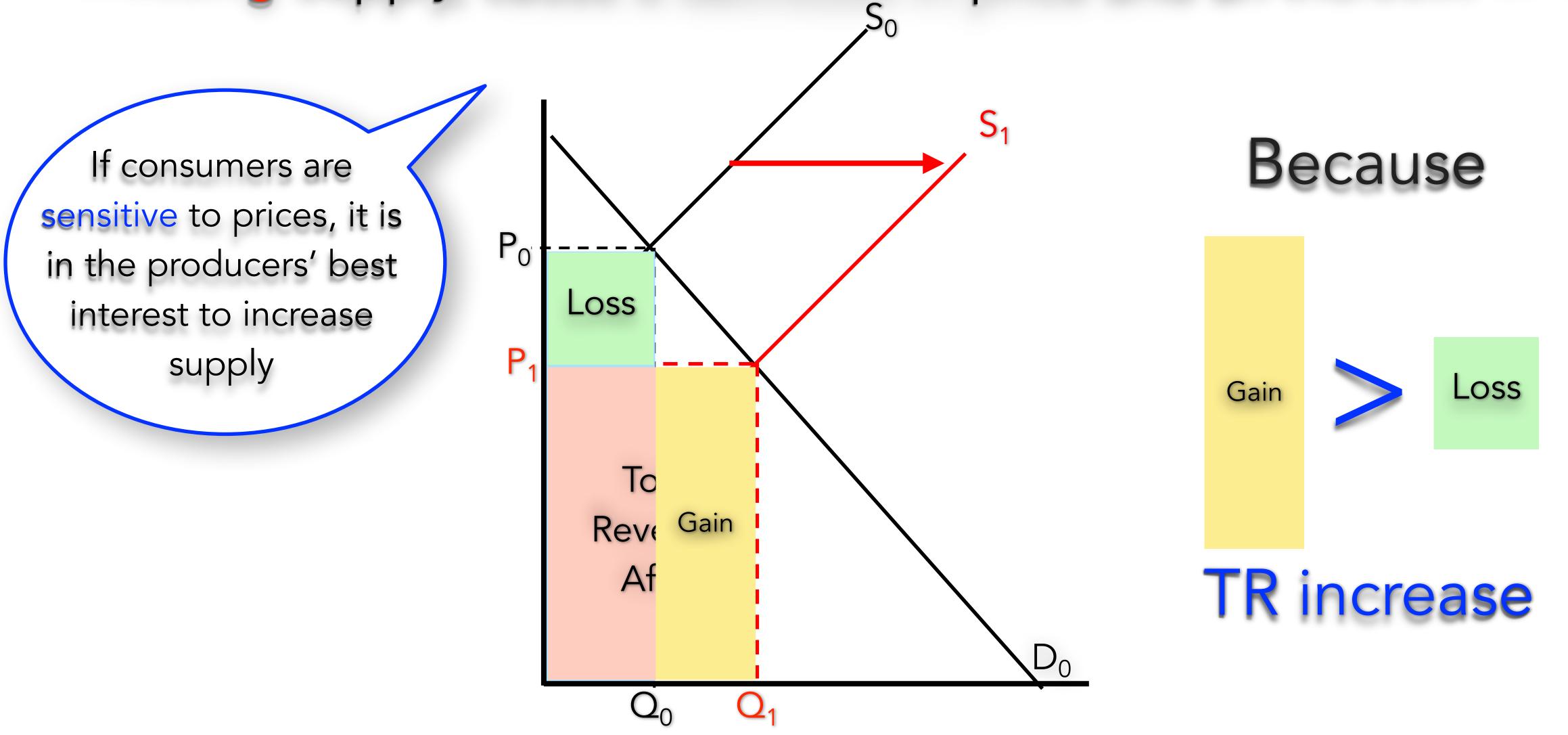






## Elastic lel >

Increasing Supply, cause a decrease in price and an increase in Q<sup>d</sup>



Increasing Supply, cause an increase in Total Revenue for producers if demand is elastic (e>1)

#### Price elasticity of Demand

