







100



110

100

130









[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]





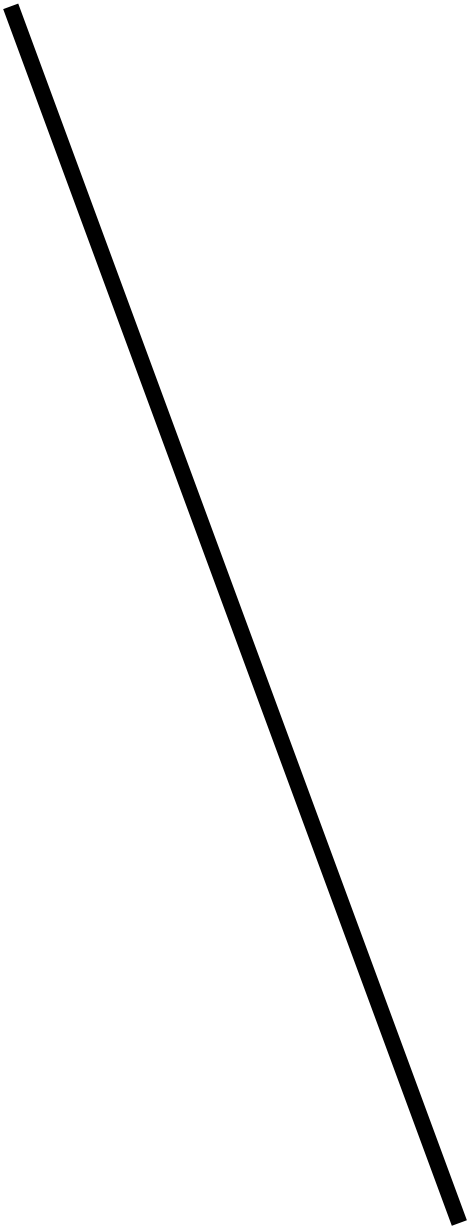
100

110

100

105











This consumer's reaction is  
larger than the change in  
price

This consumer's reaction is  
smaller than the change in  
price









Small increase in  $Q$



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

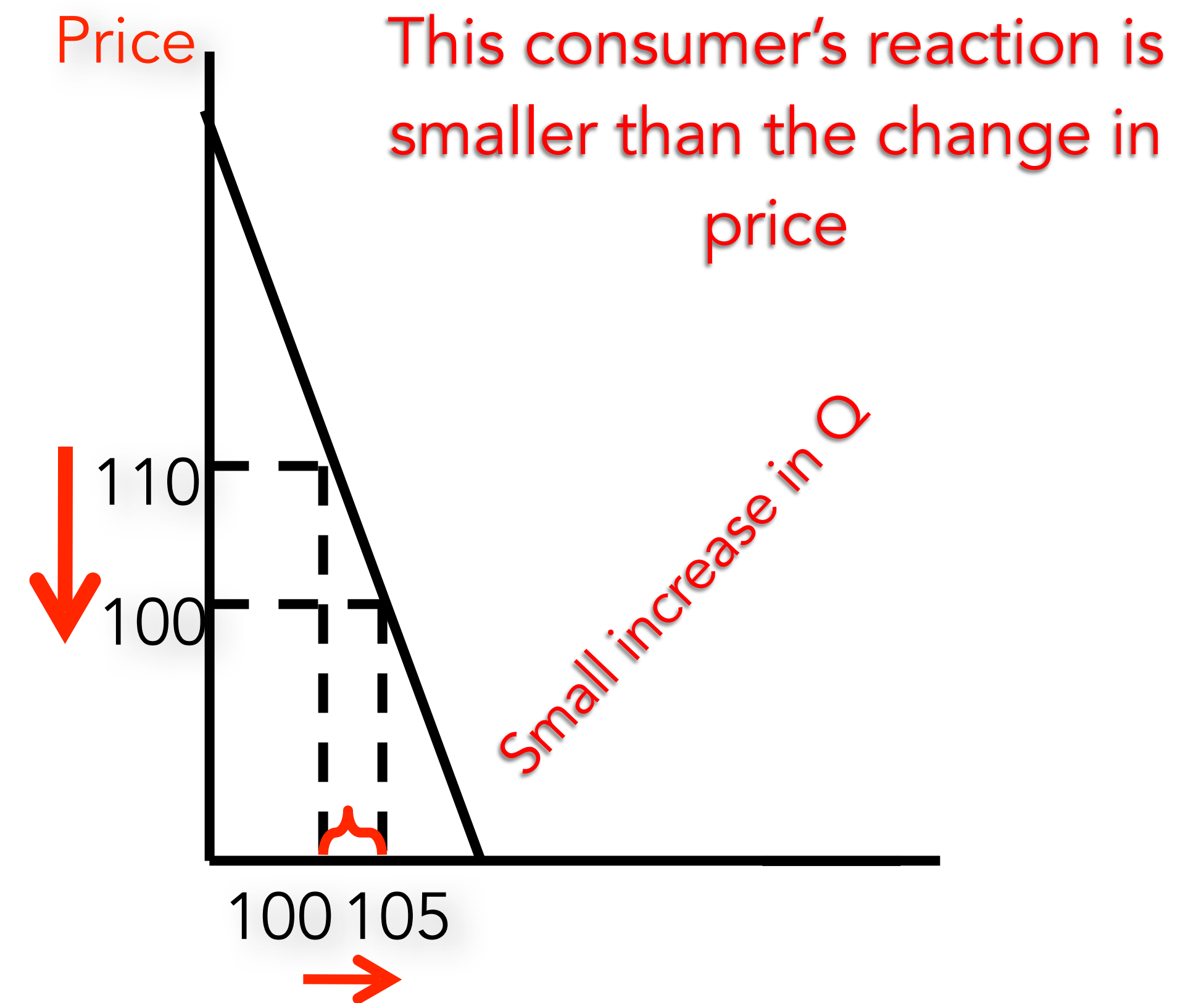
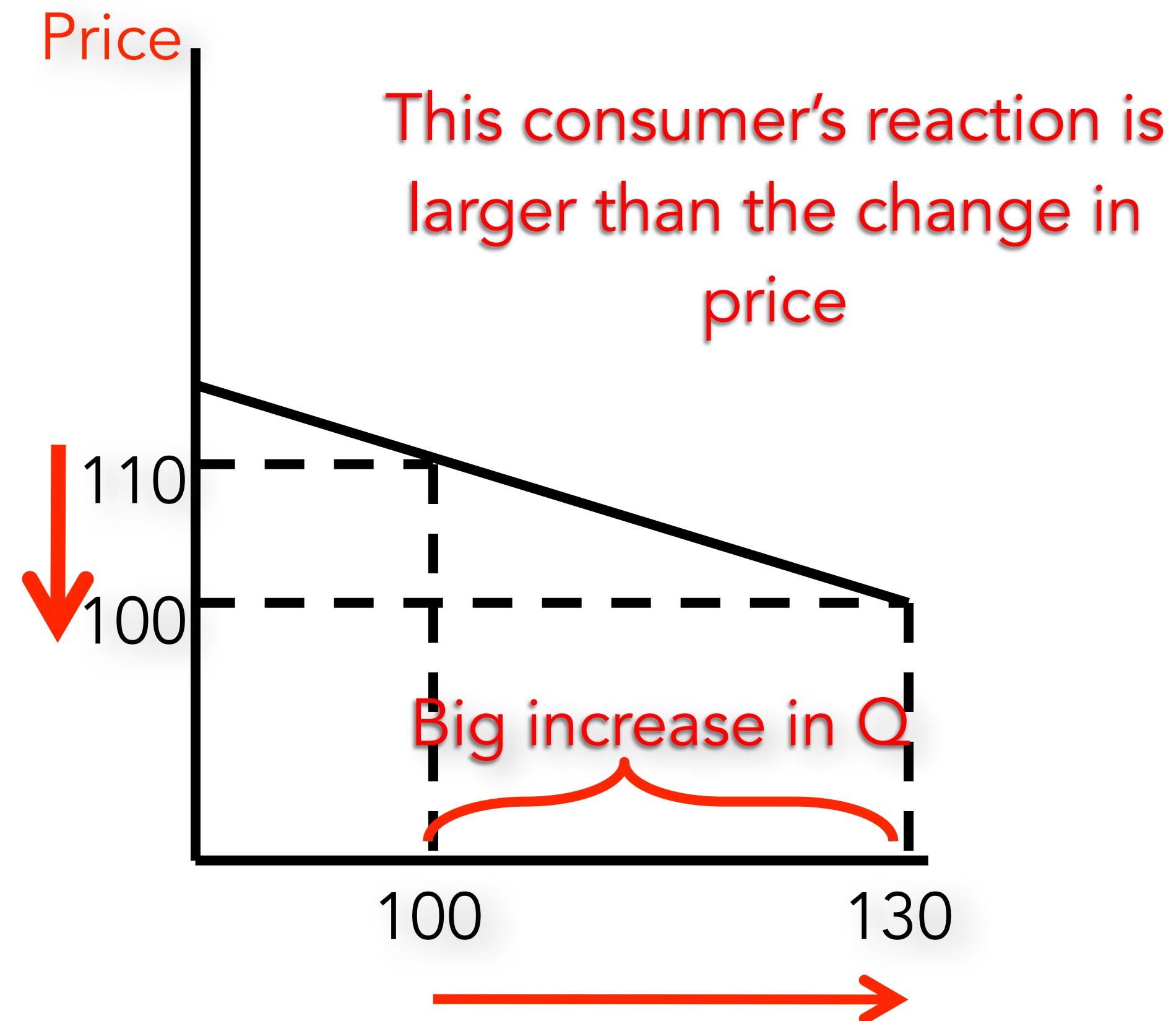
# Price

# Price

Big increase in  $Q$



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



Consumers who over-react to a price **drop** also  
over-react to a price **increase**...

