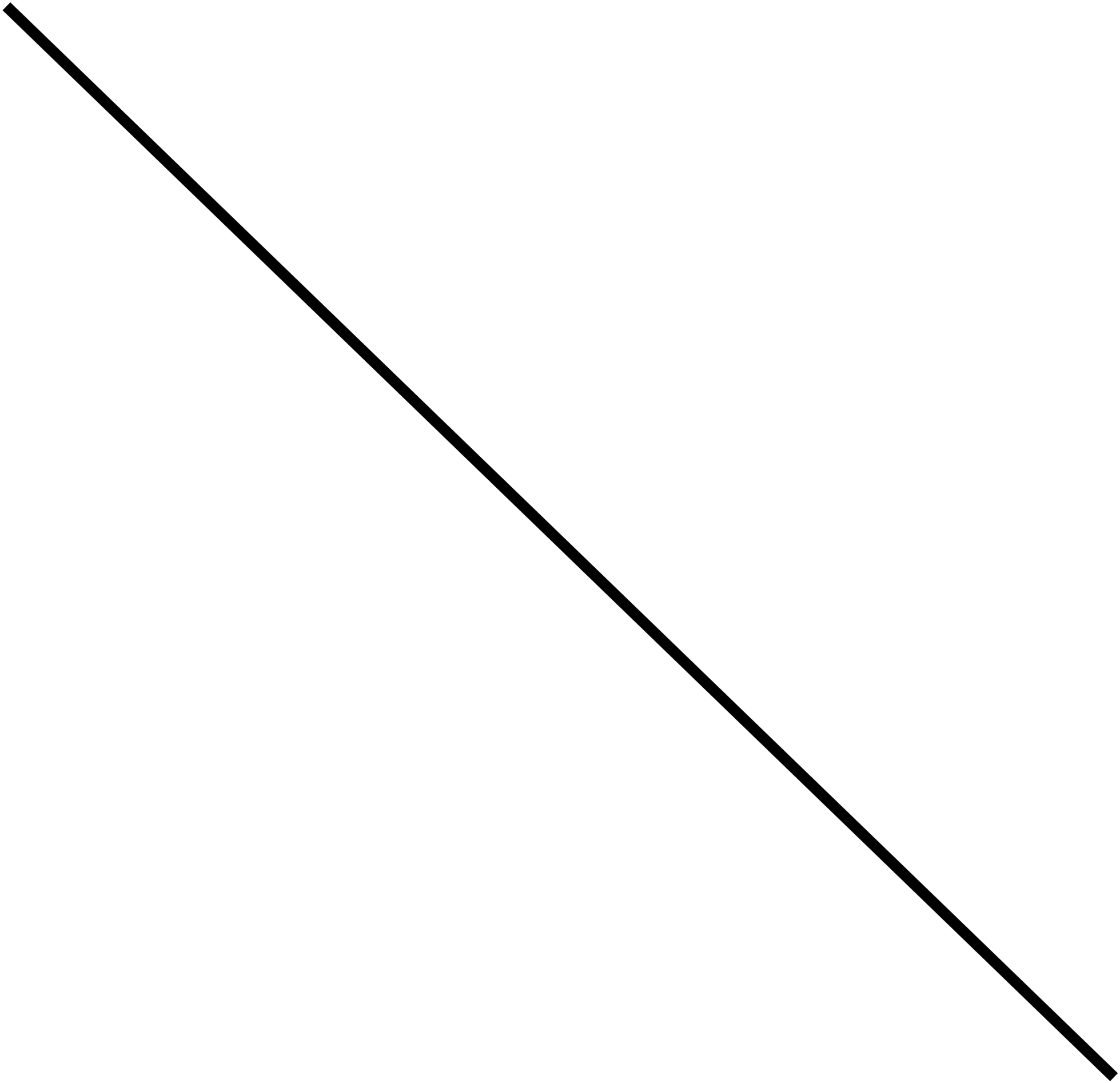
Do not change price

when Demand is Unit elastic



50

45

40

35

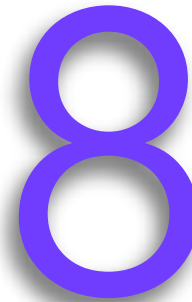
30

25

20

15

10



10

12

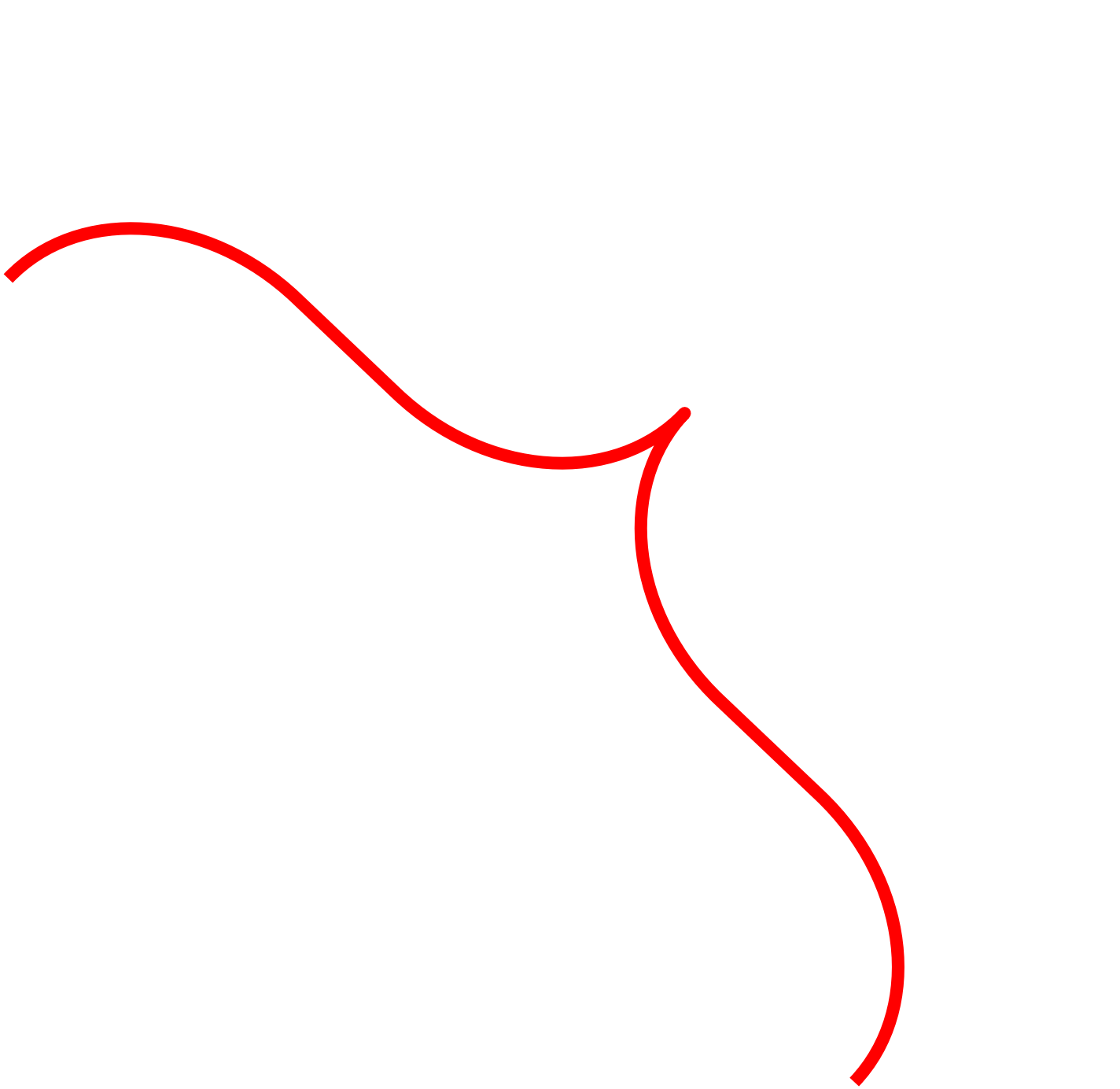
14

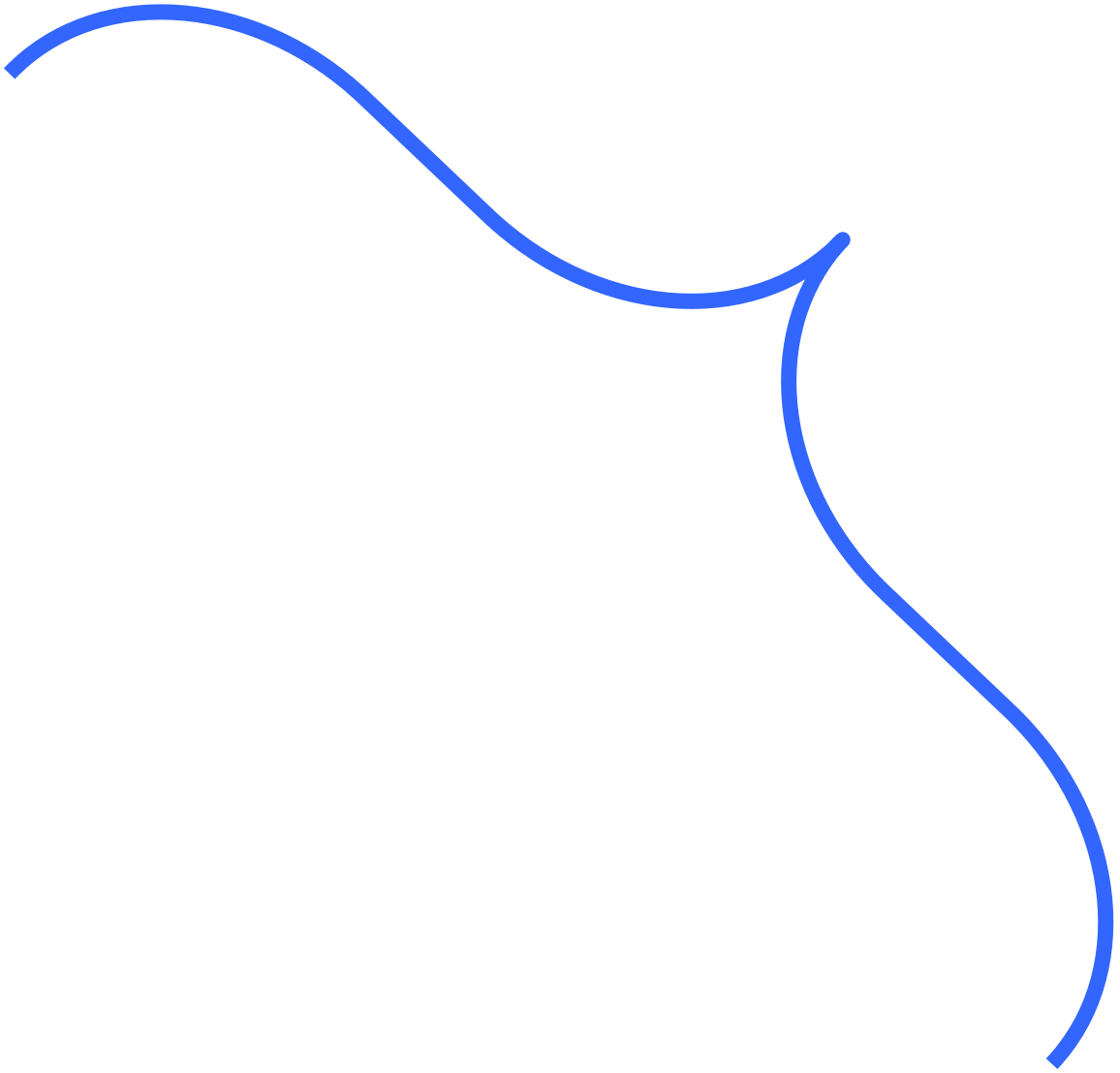
16

18

20

Midpoint



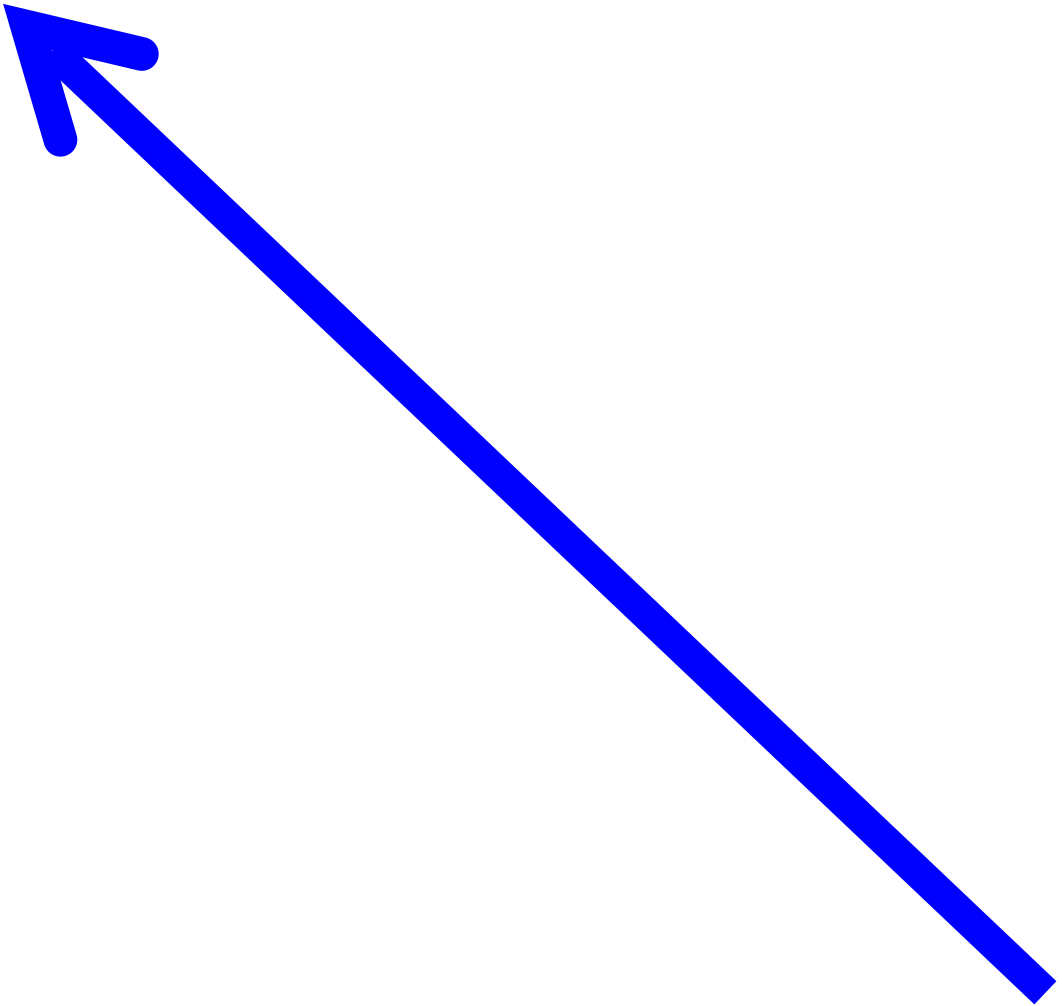


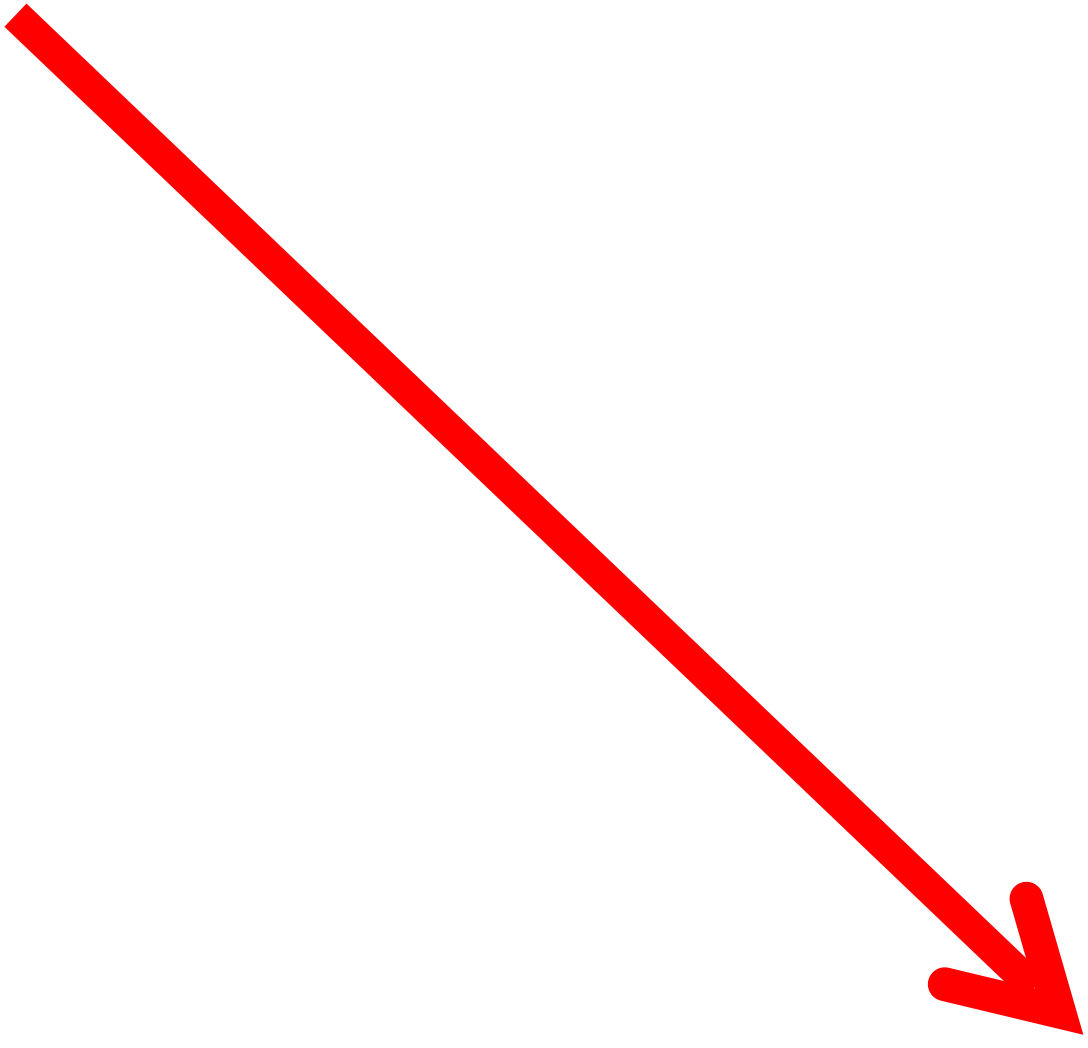
P=10

$$Q^d = 25$$

To increase Revenue:

Decrease Price





When Demand is Elastic

Total Revenue = Price x Quantity

90=
18x
5

160

=16x10

210

=14x15

240

=12x20

When Demand is Inelastic

250

=10x25

240

$=8x30$

210

=6x35

160

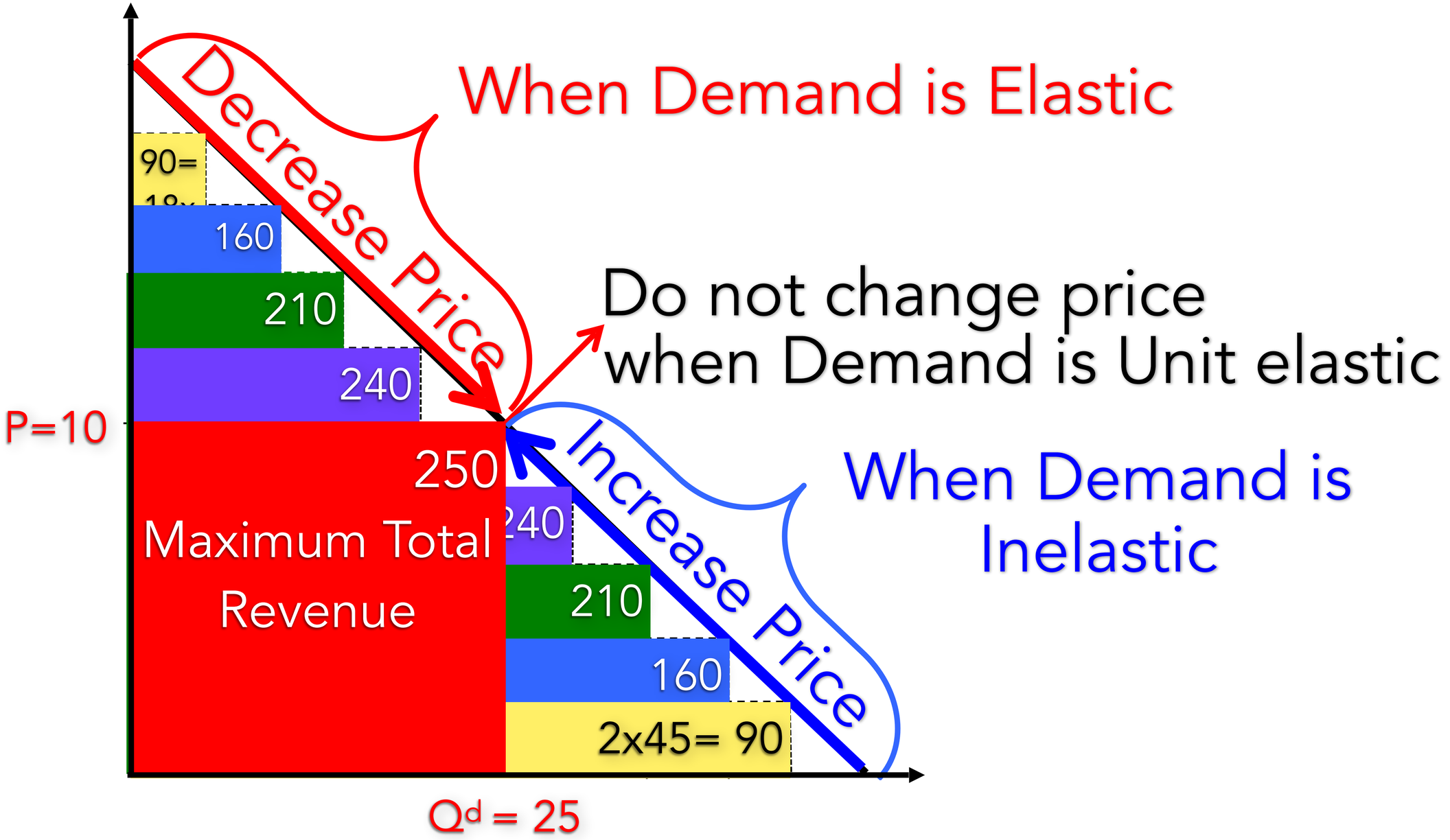
=4x40

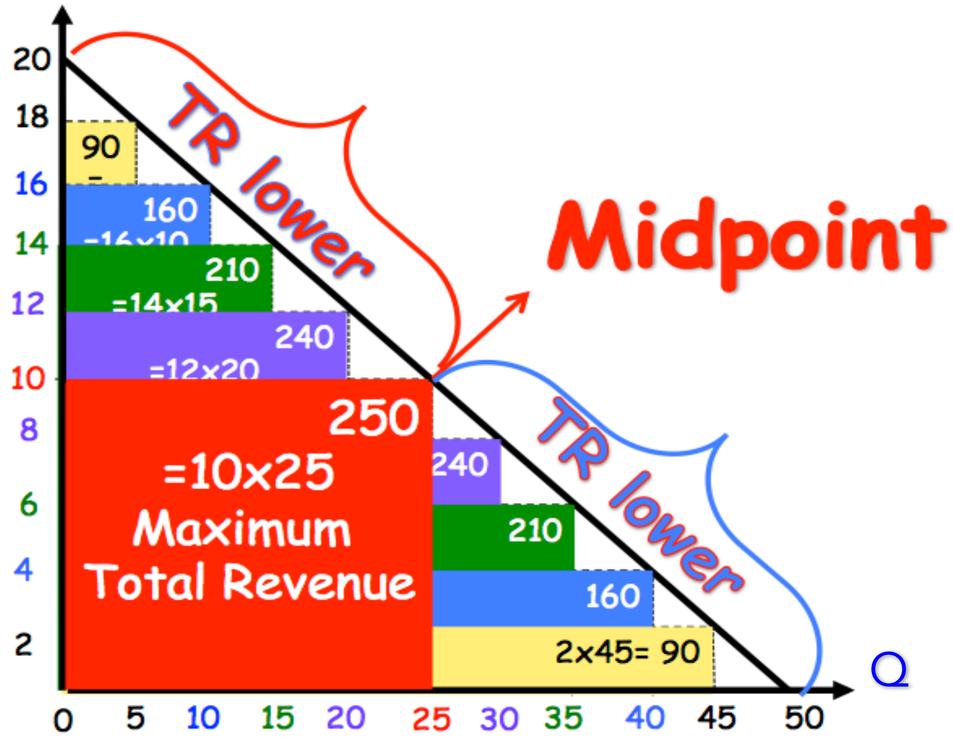
$2 \times 45 = 90$

250

Maximum Total Revenue

To increase Revenue:




20
18
16
14
12
10
8
6
4
2
0
5
10
15
20
25
30
35
40
45
50
Q
90
160
210
=14x15
240
=12x20
250
=10x25
Maximum
Total Revenue
240
210
160
2x45= 90
TR lower
TR lower
Midpoint