**Elasticity of Demand**

Coefficients:

|  |  |
| --- | --- |
| Answer: | Elasticity: |
|  | Perfectly Inelastic |
|  | Relatively Inelastic |
|  | Unit Elastic |
|  | Relatively Elastic |
|  | Perfectly Elastic |

Scenario #1:

* The price of cell phone data doubles from $50 to $100, and the quantity demanded decreases from 100gb to 85gb.
	+ % Change in Quantity Demanded? \_\_\_\_\_\_\_\_\_
	+ % Change in Price? \_\_\_\_\_\_\_\_\_
	+ Elasticity Coefficient: \_\_\_\_\_\_\_\_\_\_
	+ Type of Elasticity: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Scenario #2:

* The price of Lay’s potato chips increases from $3 per bag to $5 per bag, and the quantity demanded decreases from 100 bags to 40 bags.
	+ % Change in Quantity Demanded? \_\_\_\_\_\_\_\_\_
	+ % Change in Price? \_\_\_\_\_\_\_\_\_
	+ Elasticity Coefficient: \_\_\_\_\_\_\_\_\_\_
	+ Type of Elasticity: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Scenario #3:

* The price of girl scout cookies decreases from $5 to $4 per box, and the quantity demanded increases from 80 to 100 boxes.
	+ % Change in Quantity Demanded? \_\_\_\_\_\_\_\_\_
	+ % Change in Price? \_\_\_\_\_\_\_\_\_
	+ Elasticity Coefficient: \_\_\_\_\_\_\_\_\_\_
	+ Type of Elasticity: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Scenario #4:

* The price of insulin increases from $50 to $100 per treatment, however the quantity demanded of insulin remains at 1,000 shots.
	+ % Change in Quantity Demanded? \_\_\_\_\_\_\_\_\_
	+ % Change in Price? \_\_\_\_\_\_\_\_\_
	+ Elasticity Coefficient: \_\_\_\_\_\_\_\_\_\_
	+ Type of Elasticity: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Scenario #5:

* A farmer increases his price of corn from $1 to $1.10 per pound, however his quantity demanded decreases from 50 tons to 0 tons.
	+ In this case, the farmer increased his price only a little, and sold how many tons of corn after? \_\_\_\_\_\_\_\_\_
	+ What are some reasons why this product only be sold at

 one price point?