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- 1/ (b) very inelastic
- 2/ (c) inelastic
- 3/ (b) increase the price elasticity of demand
- 4/ (d) increase

Problem 1.4 Price elasticity of demand: $-1/3$
 Effect of a 10% price cut

- 1/ quantity change: quantity sold will increase by 30%
- 2/ Revenue effect: with elastic demands ($|E| > 1$), a price cut raises total revenue
 'Revenue will increase'

Problem 2.4 Price elasticity of demand: -0.5
 increase consumption by 15% goal

- 1/ Required price change:
 Price must fall by 30%
- 2/ Expenditure effect
 with inelastic demand ($|E| < 1$), a price cut lowers total expenditure
 Expenditure on Brussels sprouts will decrease