

Elasticity of Demand Questions:

1.Question: Define price elasticity of demand.

2.Question: If the price of a good increases by 10% and the quantity demanded decreases by 15%, what is the price elasticity of demand?

3.Question: What does an elasticity value of -0.5 imply about demand?

4.Question: If the price elasticity of demand is -2, what will happen to total revenue if the price of the goods increases?

Elasticity of Supply Questions:

1.Question: Define price elasticity of supply.

2.Question: If the price of a good increases by 8% and the quantity supplied increases by 12%, what is the price elasticity of supply?

3.Question: What does an elasticity value of 0.2 imply about supply?

4.Question: If the price elasticity of supply is 3, what will happen to total revenue if the price of the goods increases?