

Warm-Up: Elasticity of Demand

Price **Quantity Demanded**

4.00	300
3.50	325
3.00	350
2.75	375
2.25	425
2.00	450
1.50	500
1.00	550

1. Does a price change from \$2.75 to \$2.25 create a situation of elastic or inelastic demand?

2. Which of the following graphs below represents a situation of inelastic demand? Explain your reasoning.




