

6. What happens to the Elasticity of Demand if there are **many** substitutes for a good? Is it **elastic** or **inelastic**? Why?

7. Given the data below, calculate the price elasticity of demand when the price changes from \$9.00 to \$10.00.

ANSWER: _____ **CHANGE ALL NEGATIVE NUMBERS TO POSITIVES**

Data for Good X	
Price (\$)	Quantity Demanded
7.00	200
8.00	180
9.00	150
10.00	110
11.00	60

8. Is the demand for Good X **Elastic** or **Inelastic** between \$9 and \$10? *Use the above demand schedule to answer this.*

9. What does it mean for a good to be **elastic**?

10. What type of demand would there be for a good that had **NO** substitutes? *Circle One*

Elastic

Inelastic

11. Which way would the demand curve of Good X shift if the price of Good Y (a **complementary** good) increased? *Circle One*

Left

Right

12. What happens to the Demand Curve of a Good X if the price of Good Y (a **substitute** good) **increases**? Explain **why** the demand curve for Good X changed?

Left

Right