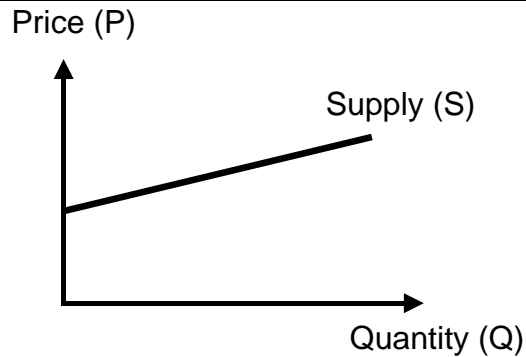


Price Elasticity of Supply

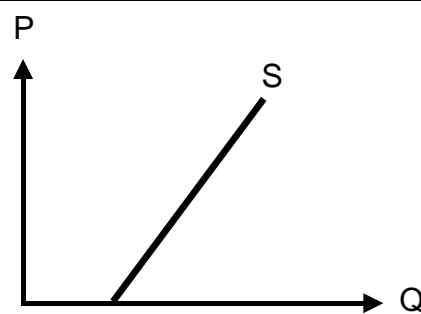
1 Price elasticity of supply (e) = $\frac{\% \text{ change in quantity supplied}}{\% \text{ change in price}}$

2 Different cases

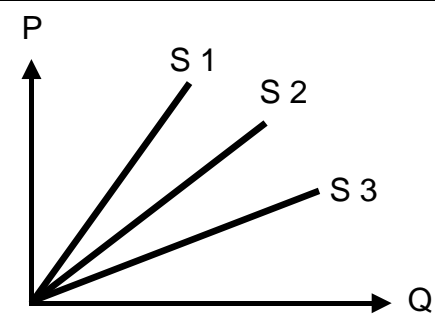
21 Elastic supply ($e > 1$)



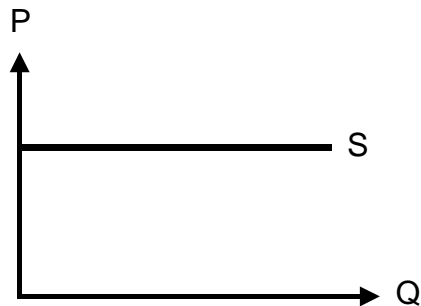
22 Inelastic supply ($e < 1$)



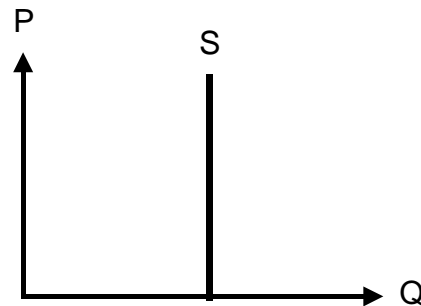
23 Unit elastic supply ($e = 1$)



24 Perfectly elastic supply ($e = \infty$)



25 Perfectly inelastic supply ($e = 0$)



26 Short-run and long-run supply

