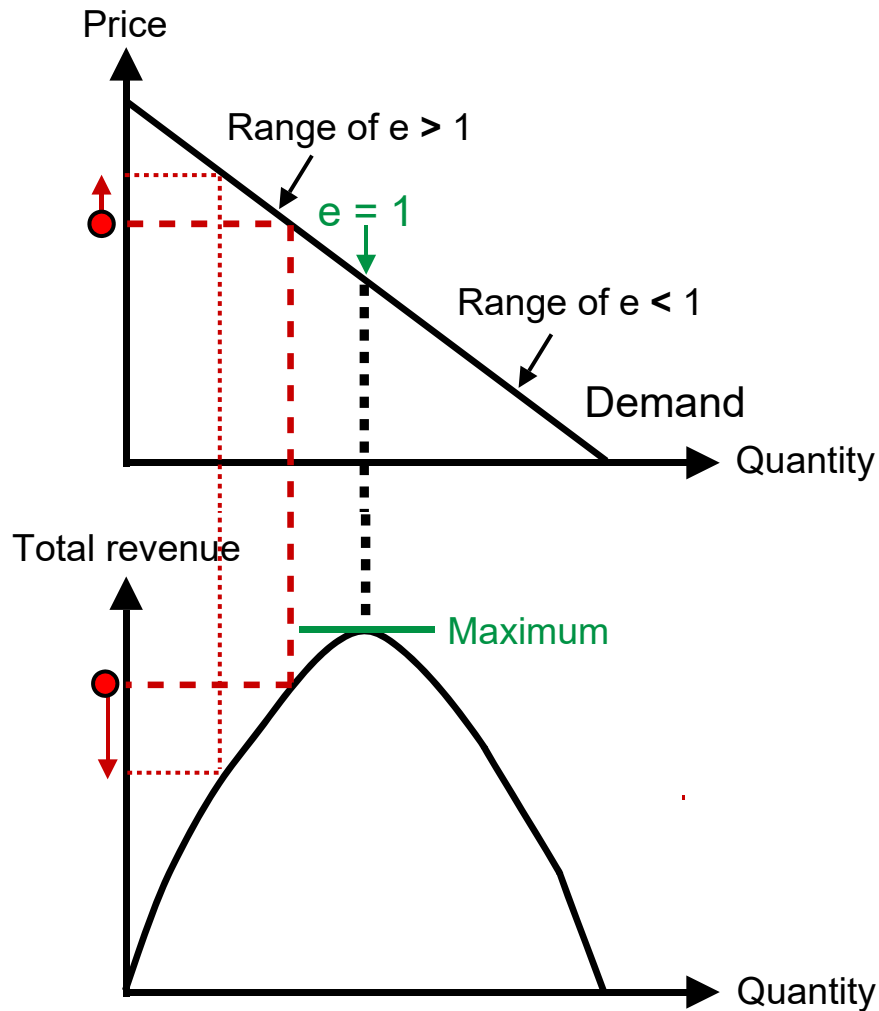


Price elasticity of demand 6 - elasticity and total revenue

e = Price elasticity of demand



Rules:

- ① in the range of $e > 1$:
 - $P+$ → total revenue - → shown in red in the graph above
 - $P-$ → total revenue +
- ② in the range of $e < 1$
 - $P+$ → total revenue +
 - $P-$ → total revenue -