



Elasticity and the Slope of Demand and Supply Curves

Graphs of demand and supply curves provide us with good visual representations of the different kinds of elasticity we have just considered.

In Figure 5.3, an inelastic demand curve, we see that price changes more when compared with the change in quantity demanded.

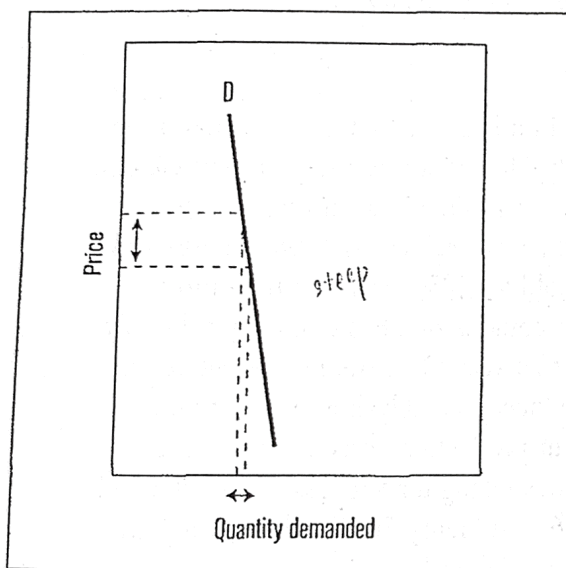


Figure 5.3 An inelastic demand curve.

In Figure 5.4, an elastic demand curve, price changes less when compared with the change in quantity demanded.

The unitary demand curve in Figure 5.5 illustrates that quantity demanded changes exactly in proportion to the price change.

Figure 5.6, an inelastic supply curve, illustrates that quantity supplied changes less than the change in price.

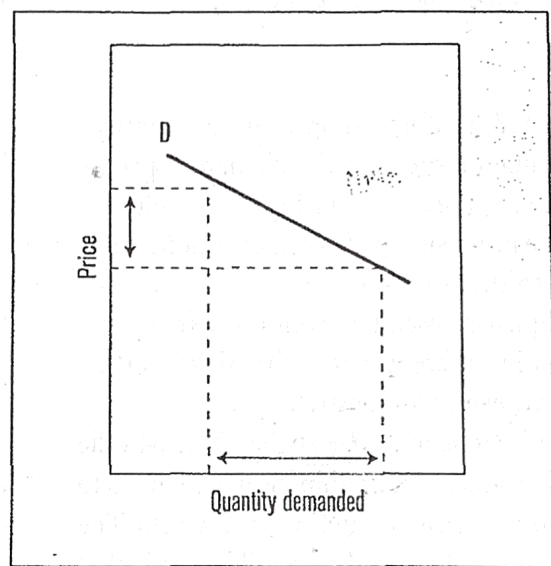


Figure 5.4 An elastic demand curve.

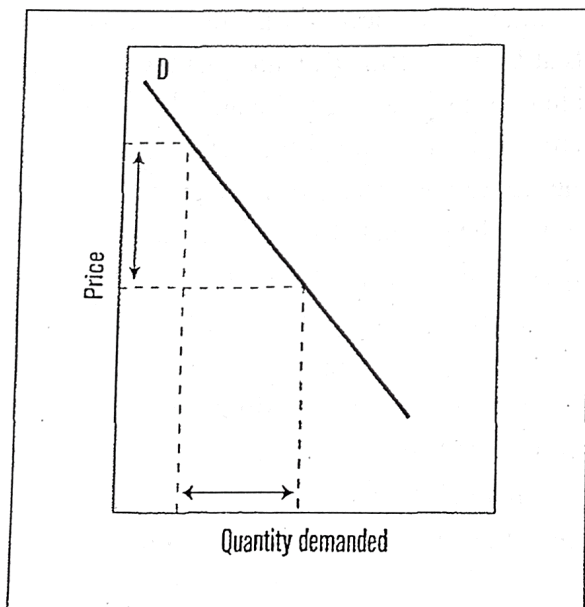


Figure 5.5 A unitary demand curve.

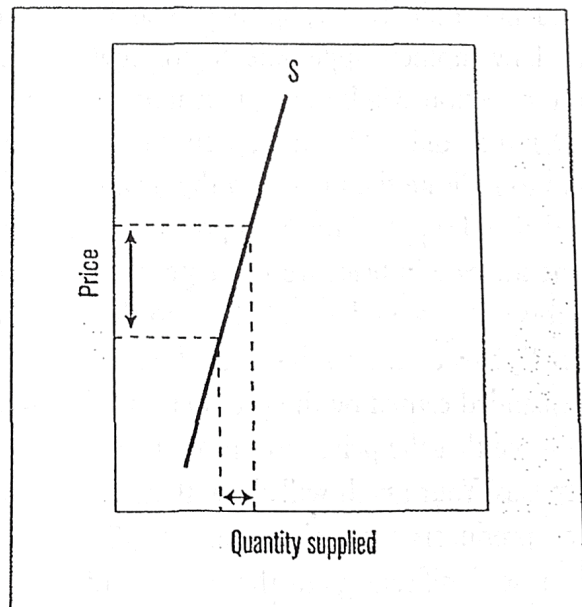


Figure 5.6 An inelastic supply curve.