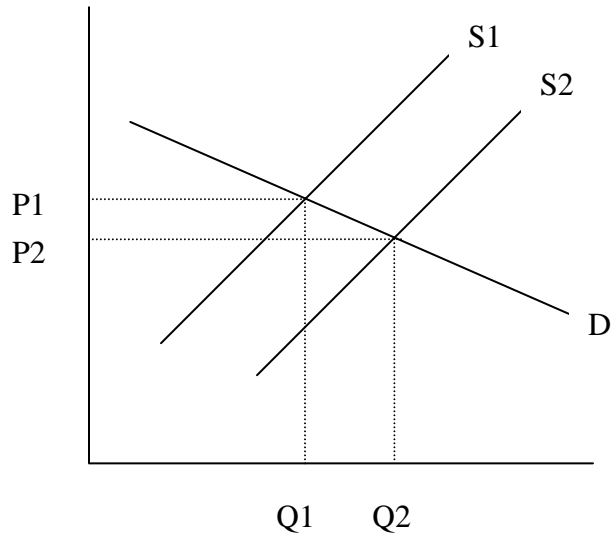
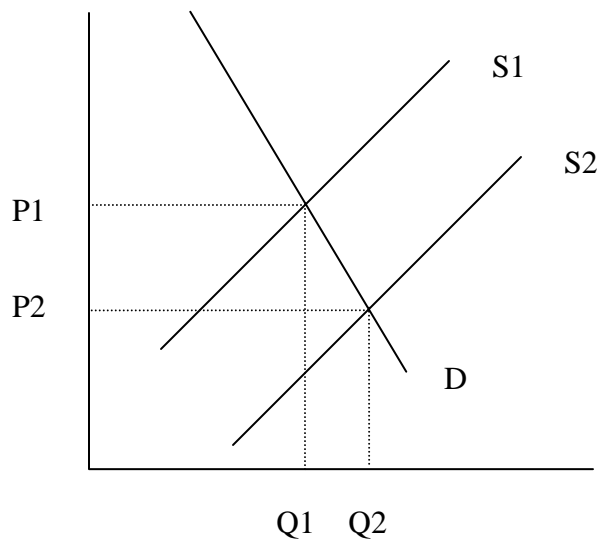


Ch4 Answers

1

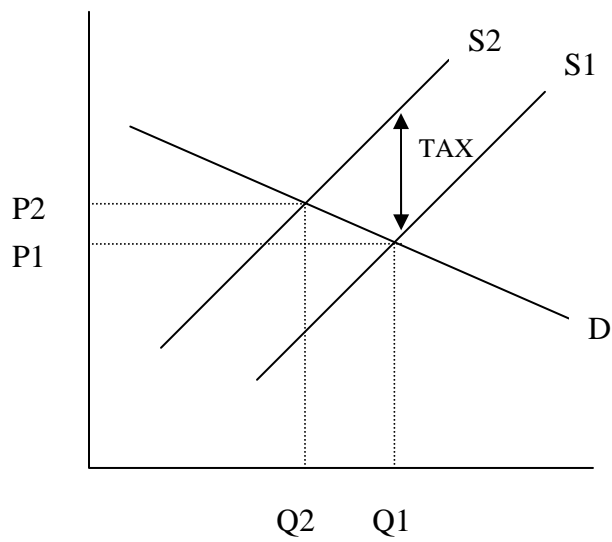


Elastic demand,
small change in
price, big change
in demand

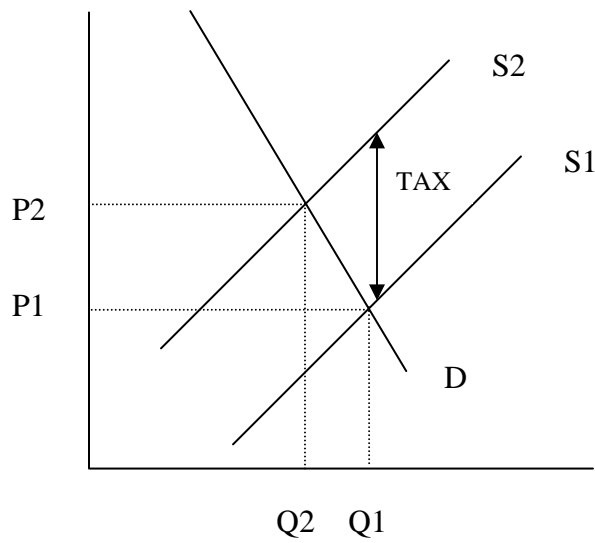


Inelastic demand, big
change in price, small
change in demand.

2



Elastic demand,
price to the
consumer
increases by less
than the tax.
Supplier pays
most of the tax.



Inelastic demand,
consumer pays a bigger
proportion of the tax.

3

