***Elasticity of Demand***

**Directions: Read the statements, then decide what type of Demand elasticity that person has for that particular product and circle the correct answer.**

1. *Ethan goes to the store to purchase new clothes for school. He has only $50, so he has to be careful on how he spends his cash. While shopping he sees that there is the perfect Nike shirt, just his size and style. But he looks at the price tag and sees that the shirt is $45. If he buys that shirt he will not be able to buy anything else except maybe socks. After thinking it over, he goes ahead and buys the shirt thinking he can always come back later when he has more money to buy other clothes. What type of demand did Ethan have for the Nike shirt?*

*(Elastic, Inelastic, or unit elastic)*

1. *Ana is driving home from a trip to Magic Mountain. On the way home she begins craving some chocolate so she stops at the next convenient store to see what they have. She finds her favorite, Twix, which costs $1.75. She also sees a Snickers and a Kit Kat for $1.25. Thinking it over, she only $2.75 so she buys the Snickers and the Kit Kat so she can buy two candies instead of one. What was her demand at that point for the Twix bars?*

*(Elastic, Inelastic, or unit elastic)*

1. *Abraham is looking to buy some fruit and sees frozen strawberries are on sale right now. He loves strawberries so he picks up a bag and heads back to check out. On his way, he sees fresh strawberries and decides those look better. He puts the frozen strawberries back and buys the fresh ones. What type of demand did he have for the frozen strawberries? (Elastic, Inelastic, or unit elastic)*
2. *Danielle cannot wait to get the latest game on the PS4. She is going to get it no matter the price.*

*(Elastic, Inelastic, or unit elastic)*

1. *Isaiah owns a small convenient store and he tried something new with his pricing on his chips. He raised the price of the Hot Cheetos thinking that they sell so well that he could make a bigger profit. What he found out shocked him. By raising the price of the bags of Hot Cheetos, people bought a lot less bags of Hot Cheetos and a lot more Doritos. What kind of demand did he find out people had for Hot Cheetos?*

*(Elastic, Inelastic, or unit elastic)*

1. *Jason sold his radios for $25 until recently. The demand for radios had gone down so he lowered his price to $20, a change of 20%. When he did this the demand for his radios also rose 20%. What kind of demand elasticity was there for his radios?*

*(Elastic, Inelastic, or unit elastic)*

1. *If Isaac went to the box office to get tickets to his favorite groups concert and bought the tickets even if he felt the price was too high, his demand for the tickets was…*

*(Elastic, Inelastic, or unit elastic)*

1. *If Yajaira has to buy gas now, and there are no other options, what type of Demand is it?*

*(Elastic, Inelastic, or unit elastic)*

1. *Samantha was going to go to the store and get cereal, but noticed the generic brand was much cheaper than the brand name so she bought the generic. What is her demand?*

*(Elastic, Inelastic, or unit elastic)*

1. *Luis noticed that when prices change 10%, demand changes 10% also. What type of demand did he see?*

*(Elastic, Inelastic, or unit elastic)*