A. As You Read
As you read Section 3, supply the missing information in the spaces provided.

Calculating Elasticity (Provide a formula or numerical value.)
1. Computation of elasticity of demand: ______________________
2. Elastic demand: ______________________
3. Inelastic demand: ______________________
4. Unitary elastic demand: ______________________

Factors Affecting Elasticity (How does each affect elasticity?)
5. Substitutes: ______________________
6. Necessities vs. luxuries: ______________________
7. Changes over time: ______________________

Elasticity and Revenue (Define and explain.)
8. Total revenue: ______________________
9. How elasticity affects a company’s pricing: ______________________

B. Reviewing Key Terms
Briefly define or identify each of the following.
10. elasticity of demand ______________________
11. inelastic ______________________
12. elastic ______________________
13. unitary elastic ______________________