

Definition

Characteristics

Examples

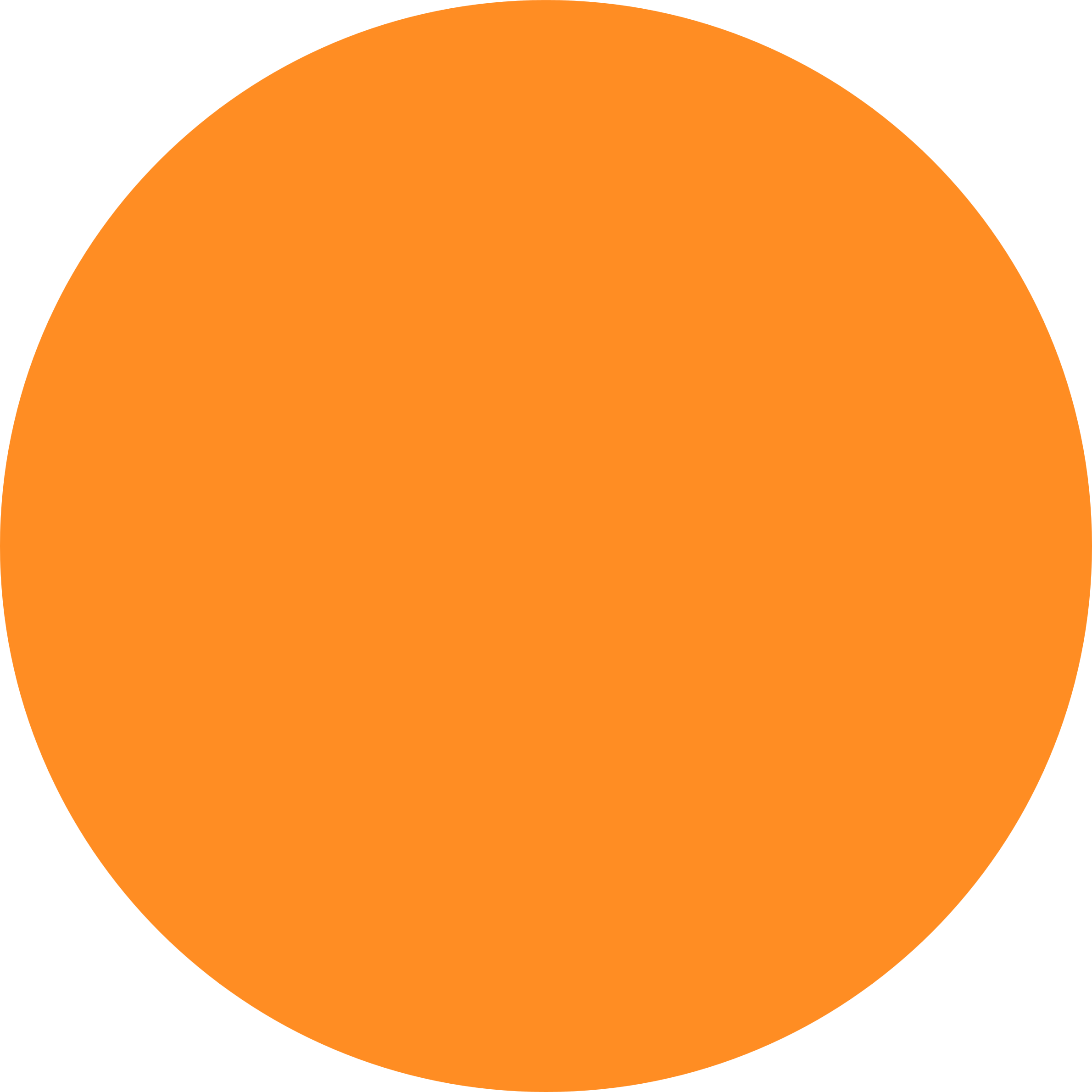
Non-examples

Elasticity of demand measures how much the quantity demanded changes when other factors change.

**Price elasticity of demand** measures how sensitive customers are to a change in price.

**Elastic** demand means customers are sensitive to a change in price.

**Inelastic** demand means customers are not sensitive to a change in price.



ELASTICITY

Shape, rectangle

Description automatically generated

A picture containing sketch, line, diagram, design

Description automatically generated

Shape, rectangle

Description automatically generated

Shape

Description automatically generated

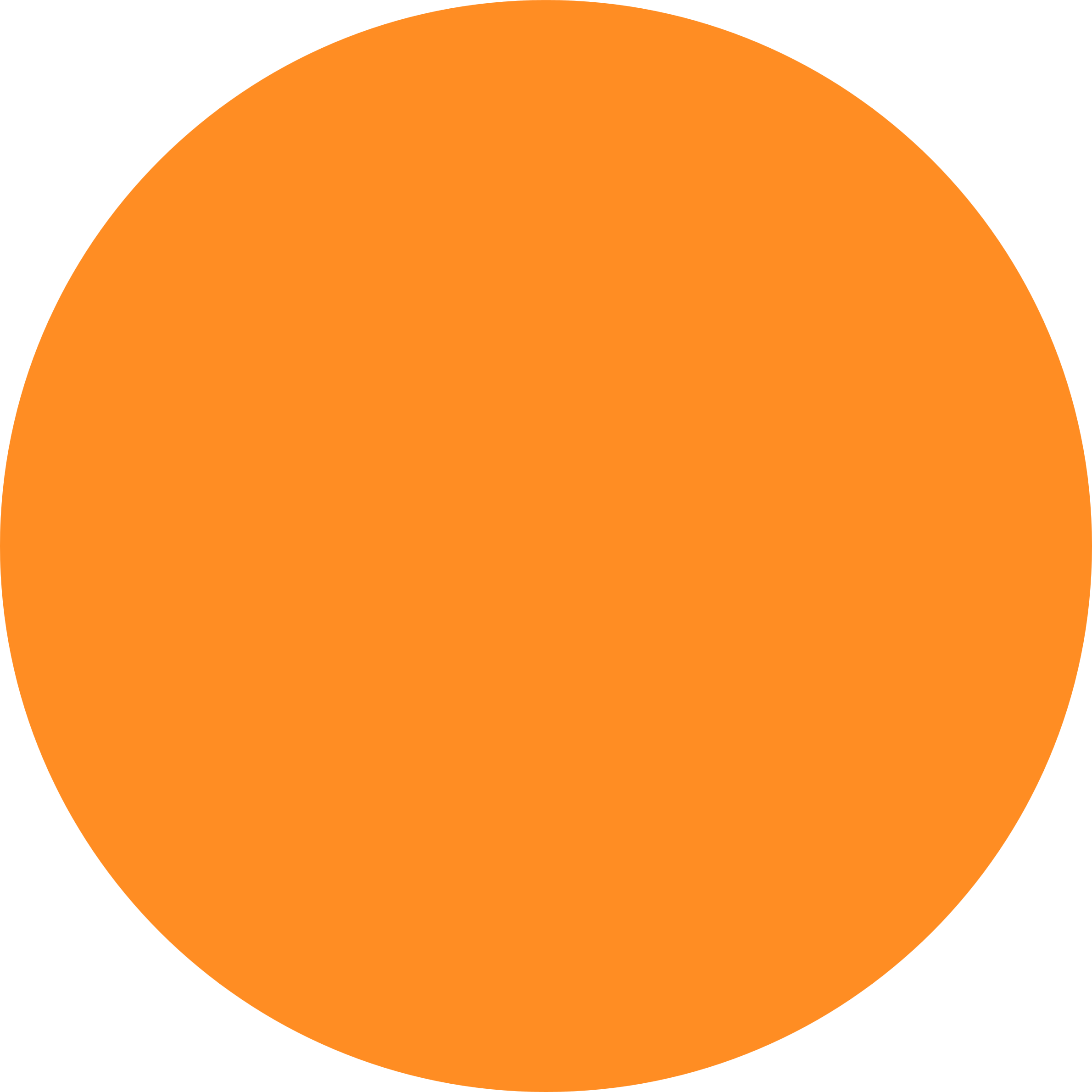


Perfect competition

Monopolistic Comp

Monopoly

Oligopoly



ELASTICITY DIAGRAM



Definition

Example

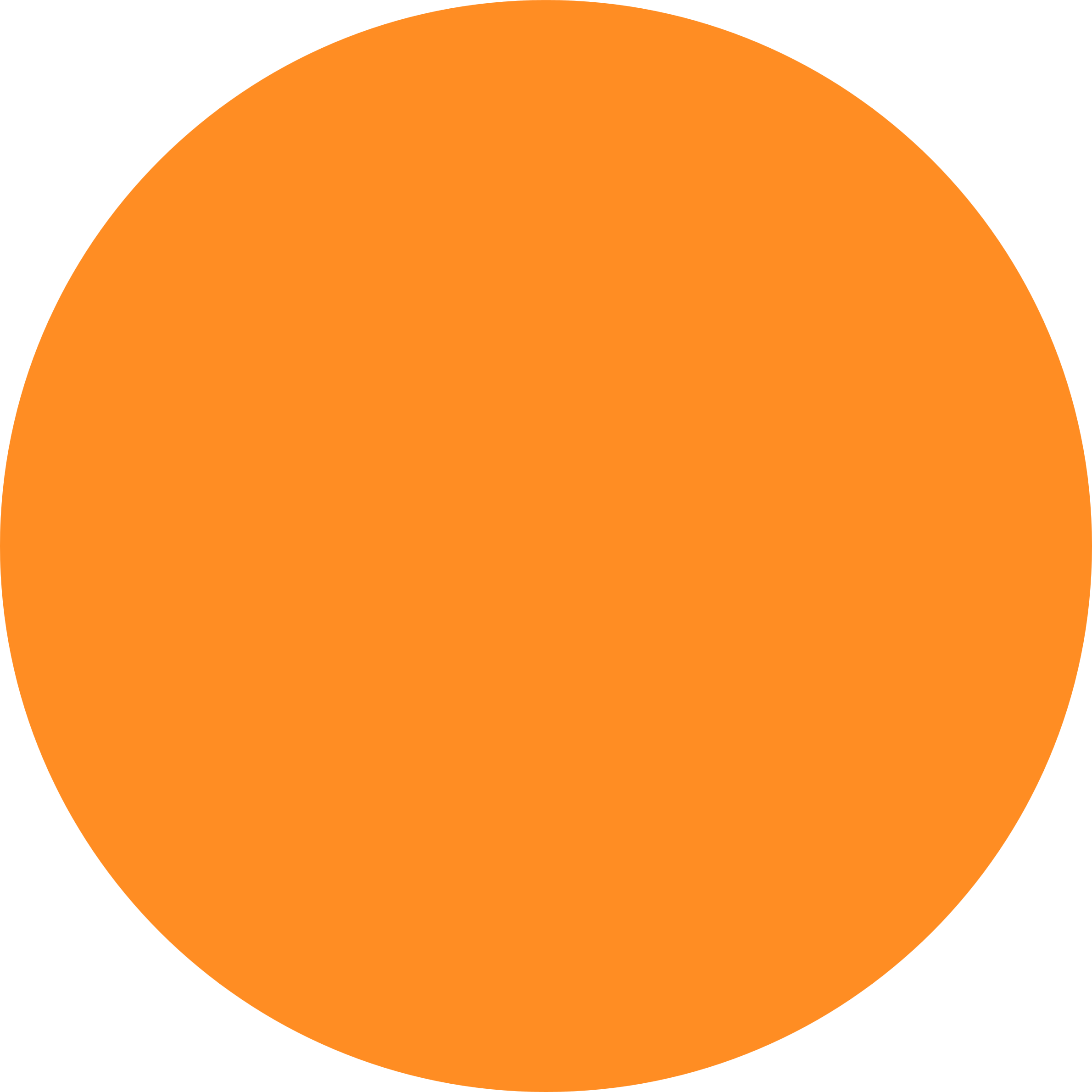
Legal barrier

A secretive agreement between two or more groups to limit competition by intentionally misleading others.

In this context it is customers and consumers of products and services.

Australian Competition and Consumer Commission (ACCC) is responsible for finding it and stopping it.

Qantas and other airlines were fined for collusion over air cargo prices.



COLLUSION