Elasticities (summary)

Elasticity	Formula	Cases
Price elasticity of demand (e)	$e = \frac{\text{\% change in quantity demanded}}{\text{\% change in price}}$ (e in absolute values)	• Perfectly elastic demand ($e = \infty$) • Perfectly inelastic demand ($e = 0$) • Unit elastic demand ($e = 1$) • Elastic demand ($e > 1$) • Inelastic demand ($e < 1$)
Cross-price elasticity of demand (Ce)	$Ce = \frac{\text{\% change in quantity demanded of good X}}{\text{\% change in the price of good Y}}$	• Substitutes ($Ce > 0$) • Complements ($Ce < 0$)
Income elasticity of demand (Ie)	$Ie = \frac{\text{\% change in quantity demanded}}{\text{\% change in income}}$	• Inferior goods ($Ie < 0$) • Normal goods ($Ie > 0$); in addition: •• Income elastic (Luxuries) ($Ie > 1$) •• Income inelastic (Necessities) ($Ie < 1$)
Price elasticity of supply (Se)	$Se = \frac{\text{\% change in quantity supplied}}{\text{\% change in price}}$	