

	Elastic	<div> <div>←</div> <div>Inelastic</div> <div>→</div> </div>			Elastic
	$-1$ to $-\infty$	$0$ to $-1$	$0$	$0$ to $+1$	$+1$ to $+\infty$
PED					
PES					
YED					
XED					

## Elasticity final exercise:

The goal here is to finally reinforce the idea that elastic or inelastic depends on the value of elasticity not on the sign. Hence in the chart the two elastic zones are at either end. Positive PED and negative PES have been blanked off because although they are possible, they are unlikely and will probably just confuse matters.

Print off a copy of the chart above and divide the students into pairs/small groups. Their job is to label each box in terms of elastic/inelastic (price inelastic in demand, income inelastic etc.), the concept if appropriate (inferior, normal, substitutes, complements) and then come up with an appropriate example (pair for XED) for each one of the boxes.

It should be very clear who really does understand elastic/inelastic and positive/negative at the end of this.