

Module 48 Other Elasticities

In-class assignment:

- 1.) Think of products that do not sell well in economic downturns. What are some goods with high income-elasticity? Contrast those goods with products whose sales do not suffer much during a downturn.
- 2.) What would you do if the market price for your Economics textbook suddenly increased to \$1000?
- 3.) Think of as many examples as you can of firms using complementary goods to boost sales.
- 4.) Rank the following products by their income elasticities-from high income elasticity to negative income elasticity:

Bus trips

Gum

New home

New car

Used car

Restaurant meals

Powdered milk

A can of Pepsi