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| --- | --- |
| **Estimated Price Elasticities of Demand for Various Goods and Services** | |
| **Goods** | **Estimated Elasticity of Demand** |
| ***Inelastic*** |  |
| Salt | 0.1 |
| Matches | 0.1 |
| Toothpicks | 0.1 |
| Airline travel, short-run | 0.1 |
| Gasoline, short-run | 0.2 |
| Gasoline, long-run | 0.7 |
| Residential natural gas, short-run | 0.1 |
| Residential natural gas, long-run | 0.5 |
| Coffee | 0.25 |
| Physician services | 0.6 |
| Taxi, short-run | 0.6 |
| Automobiles, long-run | 0.2 |
| ***Approximately Unitary Elasticity*** |  |
| Movies | 0.9 |
| Housing, owner occupied, long-run | 1.2 |
| Private education | 1.1 |
| Tires, short-run | 0.9 |
| Tires, long-run | 1.2 |
| Radio and television receivers | 1.2 |
| ***Elastic*** |  |
| Restaurant meals | 2.3 |
| Foreign travel, long-run | 4.0 |
| Airline travel, long-run | 2.4 |
| Fresh green peas | 2.8 |
| Automobiles, short-run | 1.2 - 1.5 |
| Chevrolet automobiles | 4.0 |
| Fresh tomatoes | 4.6 |



Answer the Following questions.

**Question 1: Which 3 products are the most inelastic?**

**Question 2: What factors would most likely explain why salt is very inelastic?**

**Question 3: Why would the demand for tooth picks be inelastic?**

**Question 4: Although both short-run and long-run gasoline are both inelastic, why is short-run gasoline more inelastic than long-run gasoline?**

**Question 5: What factors would likely explain why Chevrolet cars are very elastic?**

**Question 6: Why would tires have unitary elasticity while gasoline is inelastic?**