

Subject: Economics

Topic: Price elasticity of demand

Level: S.4

Background information:

This is the first lesson in this topic. Students are already familiar with the law of demand and supply, factors affecting a change in demand and supply and equilibrium price determination in the last topic.

Learning objectives:

1. Content:

Students need to:

- i. state the result of change in total revenue under different changes in price
- ii. state the result of the change in total revenue under different types of price elasticity
- iii. change information from a graphic to text, text to spoken language and spoken language to text.

2. Language:

Students will use content specific language (oral and written) to briefly predict and or explain the change in total revenue under different types of elasticity

S.4 Economics
Price elasticity of demand
Worksheet 2 for student A

Name : _____ No.: _____ Class: _____ Date: _____

Activity 1

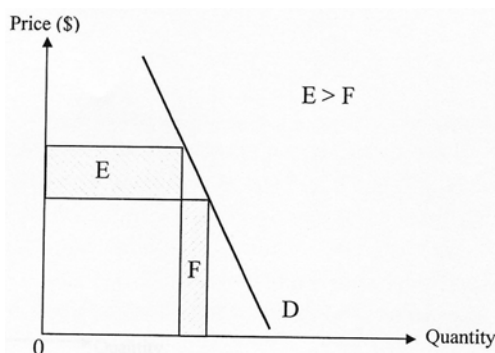


Instruction:

Imagine that you are a seller of a good X. You want to increase the total revenue by changing the price of X. With the aid of Demand Diagram, describe how you can increase the total revenue.

Demand Diagram

1. Identify which the type of price elasticity of demand is shown in the diagram.
2. Indicate the change in price and quantity by using \uparrow or \downarrow in the diagram.
3. Identify the areas **E** and **F** as a gain in total revenue or a loss in total revenue.



4. Refer to the diagram above, complete the following:

Demand is _____.

The price should _____,

then area A is _____ in total revenue,

area B is _____ in total revenue

As shown is the diagram, area A is _____ than area B.

5. Tell your partner about the information shown in the Demand Diagram and your findings so that he/she can complete part II.

S.4 Economics
Price elasticity of demand
Worksheet 2 for student B

Name : _____ No.: _____ Class: _____ Date: _____

Activity 1

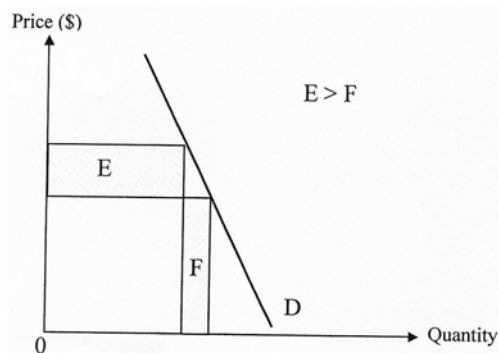


Instruction:

Imagine that you are a seller of a good X. You want to increase the total revenue by changing the price of X. With the aid of Demand Diagram, describe how you can increase the total revenue.

Demand Diagram

1. Identify which the type of price elasticity of demand is shown in the diagram.
2. Indicate the change in price and quantity by using \uparrow or \downarrow in the diagram.
3. Identify the areas **E** and **F** as a gain in total revenue or a loss in total revenue.



4. Refer to the diagram above, complete the following:

Demand is _____.

The price should _____,

then area A is _____ in total revenue,

area B is _____ in total revenue

As shown in the diagram, area A is _____ than area B.

5. Tell your partner about the information shown in the Demand Diagram and your findings so that he/she can complete part II.