Elasticity of Supply

I. Elasticity of supply is the percentage change in quantity supplied associated with a percentage change in price.

\[ Es = \frac{\% \Delta Q_s}{\% \Delta P} \]

\[ = \frac{\Delta Q_s}{\Delta P} \times \frac{P}{Q} \]
II. Interpreting the elasticity of supply:

A. If $Es > 1$ ----->
   
   If $Es < 1$ ----->
   
   If $Es = 1$ ----->

B. If the Supply curve is a straight line:
   
   1. 
   
   2. 
   
   3.
C. Sections of elasticity with respect to supply curves:

1.

III. Time and the elasticity of supply:

A. The longer the time period for adjustment, the more price elastic is the supply curve.

B. The longer the time allowed for adjustment to a ____ Price, the more firms are able to figure out ways to increase or decrease production in an industry.

C. The longer the time allowed for adjustment to a ____ Price, a greater amount of resources can flow into or out of an industry by means of expansion or contraction of existing firms.