

## Re: Some microeconomics questions

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There is no such thing as elastic demand in a market economy. Since the opportunity cost of not partaking in a market economy is always greater than trading with others, then one lacks the power to set equilibrium prices and with it elastic supply and demand. Your teacher is a fraud.

Lara <zgall1@aol.com> wrote in message  
news:8c43abae.0409281253.2a7d8eb7@posting.google.com...

- > *I am studying for a test and these questions are a part of my*
- > *review booklet. I am having trouble with them and I would*
- > *appreciate any help you could give me. Thanks.*
- >
- >
- > *1. True or false: Goods that are produced at a constant*
- > *opportunity cost have an elastic demand*
- >
- > *2. Drought in many wheat-growing areas cut the supply of*
- > *wheat in 2004 by 4 percent. The price elasticity of demand for*
- > *wheat is 0.5, and the cross elasticity of demand for pasta with*
- > *respect to the price of wheat is 2.2.*
- > *a. By how much will the price of wheat rise?*
- > *b. By how much will the quantity demanded of pasta change?*
- > *c. Pasta makers estimate that the change in the price of wheat*
- > *in part (a) will increase the price of pasta by 20 percent. What is*
- > *the pasta makers' estimate of the price elasticity of demand for*
- > *pasta?*