

BELL TO BELL: PRICE ELASTICITY OF DEMAND



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Engage:
Get them thinking



Teach:
Share the knowledge



Practice:
Use the knowledge



Reflect:
Assess their learning

Teaching price elasticity of demand? We have a plan!

Engage: Elasticity podcast



Navigate to the [Elasticity of Demand podcast](#) and test the audio file to make sure the students will be able to hear the podcast. Provide your students with the following questions to complete during the podcast.

1. How is the elasticity of a rubber band different from the price elasticity of demand for a rubber band?
2. What is the law of demand? How does the price elasticity of demand deepen our understanding of demand for a particular good or service?
3. Complete the table:

Good	% Δ in price	% Δ in quantity demanded	Is demand price elastic or inelastic?
Black Nike Air Jordan shoes			
Natural gas			

4. Complete the table:

Good	Relatively elastic or relatively inelastic?	Why?

Fizzy cola		
Expensive restaurant meal		
Auto repair		

5. What types of people find information about the price elasticity of demand most helpful? Why?

Teach: Understanding price elasticity—it's no stretch!



Use this [lesson](#) to examine the meaning of elasticity, discuss the factors that determine the price elasticity of demand, calculate price elasticity of demand using a formula, and learn how price elasticity of demand can be measured using the total revenue approach. Rubber bands are creatively incorporated into the lesson!

Practice: Fashioning elasticity wrist bands



This [activity](#) suggests giving each student two wide rubber bands, one of which is noticeably more elastic than the other, such as sizes 64 and 84. Ask students to identify goods that have relatively elastic price elasticity of demand; tell them to write these goods on the more elastic of the bands. You could have students include a reason for each such as income, substitutes, and so on. Then ask students to identify goods that have relatively inelastic price elasticity of demand; tell them to write these goods on the more inelastic of the two bands. If the bands are loose enough not to impede blood flow, students can wear the bands to remind themselves of goods that tend to be price elastic and price inelastic.

Assess: Use the Mackinac Center for Public Policy to determine price elasticity



Access this [link](#) on the [econedlink](#) website. You can print the assessment questions for each student or display them for the whole class. Working individually or in small groups, the students will navigate to the [Mackinac Center for Public Policy](#) website and use the article to answer the questions found on econedlink. Ask students to submit their answers or discuss the answers as a class.