**Exam practice**

Explain whether the price elasticity of supply (PES) of the following products is relatively elastic or inelastic.

1. Bananas [4]

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1. Fresh flowers [4]

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1. Computers [4]

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1. Coal [4]

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**Chapter review questions**

1. What is meant by price elasticity of demand (PED) and how is it calculated?

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1. How might knowledge of PED be of value to firms?

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1. How might knowledge of PED be of value to the government?

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1. Why should firms raise prices for products with price inelastic demand?

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1. Use a diagram to show the difference between perfectly price elastic demand, unitary PED and price inelastic demand.
2. What are the key determinants of PED?

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1. What is meant by price elasticity of supply (PES) and how is it calculated?

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1. Use a diagram to distinguish between price elastic PES and price inelastic PES.
2. If a product has a PES value of 0, what does this actually mean?

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1. What are the key determinants of PES?

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