

## Answer on Question #56887, Economics Microeconomics

### Question

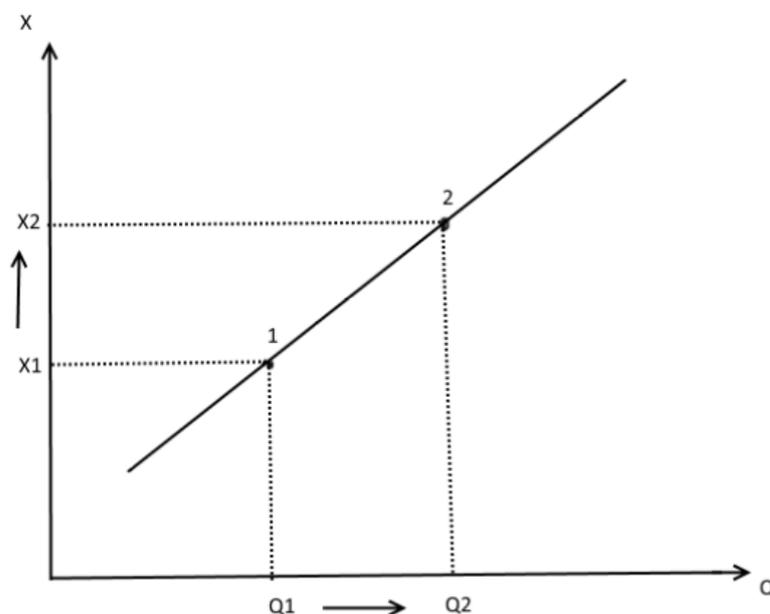
If a straight linear supply curve originates from the origin then elasticity of supply at each and every point of the supply curve will be?

### Answer

Elasticity of supply is a relative increase in quantity supplied due to relative increase in other independent value (for example, price, income, etc).

Elasticity is calculated by the next formula: Elasticity of Supply =  $\frac{\text{Supplied Quantity Increase (\%)}}{\text{Independent value Increase (\%)}}$

To specify formula above let's take independent value be X and show elasticity on the graph:



Assume that X increases from X1 to X2, thus supply increases from Q1 to Q2. Elasticity of supply:

$$\text{Elasticity of Supply} = \frac{(Q2-Q1)/Q1}{(X2-X1)/X1}$$

We can say surely that in each and every point of one straight supply curve elasticity is the same, because the slope of supply line is the same.