

## Answer on Question #62068-Economics-Microeconomics

There are many businesses selling flowers in Brisbane on any given day. A flower shop sells a basic bouquet for \$24.99 and sells, on average, 10 bouquets per day. The flower shop decides to decrease the price of the basic bouquet to \$20.99 and sells 18 bouquets that day. Which of the following statements are true (to four decimal places):

The point price elasticity of demand for the basic bouquet of flowers at a price of \$24.99 is 4.9980

The point price elasticity of demand for the basic bouquet of flowers at a price of \$24.99 is 1.2495.

A 1% increase in the price of a basic bouquet would lead to a 1.2495% decrease in the quantity of basic bouquets demanded.

A 1% decrease in the price of a basic bouquet would lead to a 1.2495% increase in the quantity of basic bouquets demanded.

### Answer:

The point price elasticity of demand for the basic bouquet of flowers at a price of \$24.99 is 4.9980

$$\frac{18-10}{24,99-20,99} * \frac{24,99}{10} = 4,9980$$

<https://www.AssignmentExpert.com>