

## Answer on Question #62276-Economics- Economics of Enterprise

If a business increases the price of its product by \$57.01 to \$60.56 and still increases its unit sales from 78956 to 99850 how much would unit sales increase for every 1% decrease in price.

**Answer:**

$$Q_1 = \frac{78956}{57.01} = 1384.95$$

$$Q_2 = \frac{99850}{60.56} = 1648.77$$

$$E_d^p = \frac{1648.77 - 1384.95}{99850 - 60.56} * \frac{57.01}{1384.95} = 3.059$$

$$\begin{cases} 57.01 - 100\% \\ x - 99\% \end{cases}$$

$$x = 57.01 * \frac{99}{100} = 56.44$$

$$\begin{cases} 1384.95 - 100\% \\ x - 103.059\% \end{cases}$$

$$x = 1384.95 * \frac{103.059}{100} = 1427.31$$

Sales after 1% decrease in price =  $56.44 * 1427.31 = 80557$

$$\begin{cases} 78956 - 100\% \\ 80557 - x\% \end{cases}$$

$$x = 102.02$$

Sales increase for 2.02% for every 1% decrease in price

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