**Price Elasticity of Supply**

Research the answers to the following questions. This will provide you with a head start for when we come back after half-term:

Explain what is meant by price elasticity of supply (responsiveness of *what* to in terms of *what?)*

What is the formula for PES?

What does the result mean if a) Greater than one? b) Less than one?

Why will the PES coefficient always be positive?

Draw and **label** (P1-P2, Q1-Q2) an inelastic (left axes) and elastic (right axes) supply curve – state 3 examples of both.

Identify **three factors** which would impact the price elasticity of supply of a good: