**NAME(S):………………………………………………………………………………………**

1. **PRICE ELASTICITY – CALCULATION**

**ACTIVITY/TASK**

1. The hotel advertised 50 % accommodation discount and subsequently the volume of sales was increased in 200%. What is the price demand elasticity for this accommodation? And what does it mean in practice?
2. If the price of service is 10 € 🢡 1 000 services are ordered yearly but if the price of service is 50 € 🢡 only 500 services are ordered yearly. Try to find out the price demand elasticity. And what does it mean in practice?
3. Try to give examples of services of which price demand elasticity is flexible and on the other hand non-flexible.

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| **Flexible price demand elasticity** | **Typical services** |
|  |
| **Non-flexible price demand elasticity** | **Typical services**  |
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