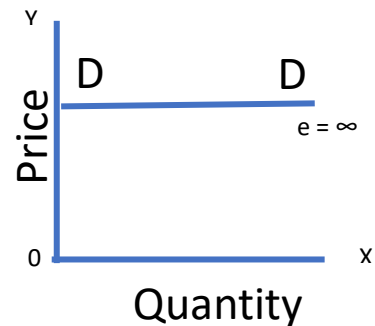


Types of price elasticity of demand:

1. **Perfectly elastic demand**
2. **Perfectly inelastic demand**
3. **Relatively elastic demand**
4. **Relatively inelastic demand**
5. **Unitary elastic demand**

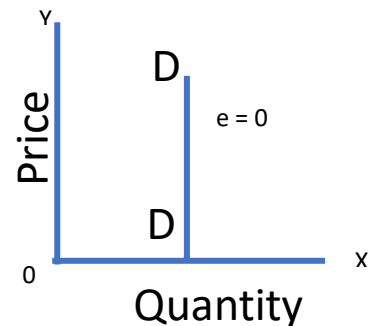
Perfectly elastic demand:

When a small change in the price (sometimes no change) results in a large change in the quantity demanded, it is known as perfectly elastic demand.



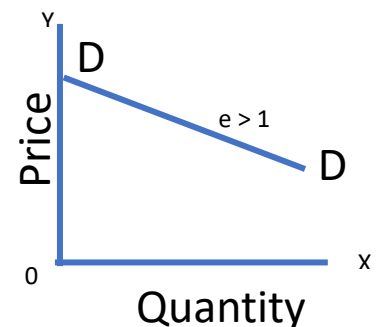
Perfectly inelastic demand:

When a change (rise or fall) in the price of a product does not bring any change (fall or rise) in the quantity demanded, the demand is called perfectly inelastic demand.



Relatively elastic demand:

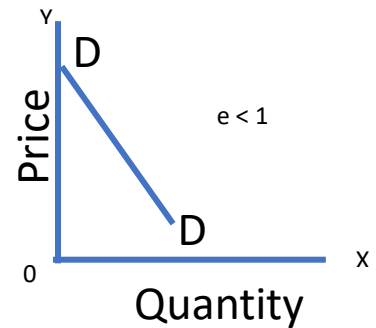
When a proportionate or percentage change in price results in greater proportionate



or percentage change in quantity demanded, the demand is said to be relatively elastic demand.

Relatively inelastic demand:

When a percentage or proportionate change in price results in lower percentage or proportionate change in demand, the demand is said to be relatively inelastic demand.



Unitary elastic demand:

Unitary elastic demand occurs when a change in price results in equivalent change in demand. The demand curve for unitary elastic demand is a rectangular hyperbola.

