

Comparing Gasoline and Restaurant Meals

Name: _____ Date: _____

Directions: Look at the following questions in comparison to the goods. Place a Y in the box if the answer is yes, place an N in the box if the answer is no.

	Gasoline	Restaurant Meals
1. Are the goods substitutes available?		
2. Is the good very necessary?		
3. Must you make a decision right now?		

Directions: Answer the following questions.

1. Which of the two items – gasoline and restaurant meals – would be the most inelastic?
2. What factors make your choice more inelastic than the others?

Directions: Confirm the prices elasticities of gasoline and restaurant meals at the following website: <https://www.mackinac.org/1247>

1. What is the price elasticity of short-run gasoline in this article?
2. What is the price elasticity of restaurant meals?
3. Does this confirm what you have learned about price elasticity?