

## MODEL LESSON PLAN

**Subject : Economics**

**Date : 10-03-2023**

**Topic : Elasticity of Demand and It's Degree**

**Class : XII**

**Duration : 40 Minutes**

### 1. **Learning Outcomes:-**

After completion of the topic, Students will :-

- Remember, understand, analyse the meaning of Elasticity of Demand.
- Explain the topic Elasticity of Demand and it's Degrees with required diagrams.
- Determine future Demand on the basis of their Elasticity.

### 2. **Learning Objectives :-**

After Completion of the topic, students will be able to :-

#### 1.1 **Remember**

- Recall Elasticity of Demand and It's degrees.
- Recognize various degrees of Elasticity of Demand

#### 1.2 **Understand**

- Give the example of goods use in daily life and finding their Elasticity of Demand.
- Explain various degrees of Elasticity of Demand.
- Define Elasticity of Demand with appropriate diagrams.

### 1.3 **Apply**

- Apply formula of calculating Elasticity of Demand for things which they see around themselves.
- Classify goods according to their Elasticity of Demand.
- Use formula of Elasticity of Demand for calculating revenue.

### 1.4 **Analyse**

- Identify the goods having different different Elasticity of demand.
- Identify the need of Elasticity of Demand in Advertisement and Marketing strategies.
- Analyse the product pricing.

### 1.5 **Evaluate**

- Determine the future demand.
- Determine the price under various market conditions.
- Determine the level of Production.

### 1.6 **Create**

- Generalize the idea of elasticity of Demand.
- Construct puzzles related to Elasticity of Demand like crossword, word finder, Jumbled words etc

## 3 **Learning Resources:-**

Well equipped classroom with proper sitting arrangement, Digital Board, Pointer, Internet, White-Board, Marker, PPTs, Images related to the topic, study games like crossword, word finder (with special emphasize on Toy based learning/games), Notes, NCERT.

#### 4. Previous knowledge Assumed :-

Teacher will assume that the students have some basic knowledge of Demand like the shape of demand curve, Law of Demand and its application etc.

#### 5. Pre Knowledge Testing (P-K. Testing) :

Some oral Questions will be asked from students like :-

Sr. No.	Teacher's Activity	Student's Response
1	What do you mean by Law of Demand ?	Ceteris Paribus, Price and Quantity Demanded are inversely related to each other.
2	Is demand of Commodity increase or decrease according to the nature of Commodity ? (Yes/No)	Yes
3	What do you mean by change in Price ?	Shift in the value either high or low.
4	What do mean by Elasticity ?	Like rubber band, spring etc.
5	What is Price Elasticity of Demand ?	No Response

#### 6. Announcement of Topic :-

After finding that most of the students were unable to answer the last question, The Teacher will announce – well students, we have already studied Law of Demand, Now we will study Elasticity of Demand.

## 7 Presentation

Teaching Point	Teacher's Activity	Teaching Strategy & Student's Activity	Board Summary
<p>1</p> <p>2</p> <p>(A)</p> <p>(B)</p> <p>(C)</p>	<p><b>Elasticity of Demand (Ed) :-</b> Ed measures the responsiveness of the Quantity Demanded of a good, to the change in its Price, P of other goods &amp; change in Consumer's Income. <b>In Simple words</b>, Ed is the ration of percentage change in Quantity Demanded to the percentage change in Price.</p> <p><b>Types of Elasticity of Demand</b></p> <p><b>Price Elasticity of Demand :- (Ed<sub>p</sub>)</b> It's degree of response of a change in quantity Demanded to the change in Price.</p> <p><b>Income Elasticity of Demand :- (Ed<sub>y</sub>)</b> it's degree of response of a change in quantity Demanded to the change in Income.</p> <p><b>Cross Elasticity of Demand :- (Ed<sub>x</sub>)</b> it's degree of response of a change in quantity demands of good A to the change in Price of good B. here A,B are related goods.</p>	<p><b>Example Method</b> will be taken here. Students will listen to the teacher carefully and note-down the main points in their notebooks.</p> <p><b>Example :</b> when Price (P) of a pen reduces to Rs. 2 from Rs. 4, then Demand (D) of that Pen increases to 4 pens from 1 Pen. Calculate Elasticity of Demand.</p> <p>From the above statement :-  P = 4, P<sub>1</sub> = 2                      Q = 1, Q<sub>1</sub> = 4  Change P = (1) 2    Change Q = 4-1 = 3  We Know</p> $Ed = \frac{\% \text{ change in Quantity demanded}}{\% \text{ change in Price}}$ $Ed = \frac{\Delta Q}{Q} \div \frac{\Delta P}{P} = \frac{\Delta Q}{Q} \times \frac{P}{\Delta P}$ $= \frac{\Delta Q}{\Delta P} \times \frac{P}{Q}$ $Ed = 2 \times 3 = 6$ <p><b>Ed<sub>p</sub> = <math>\frac{\% \text{ change in Q.D.}}{\% \text{ change in Price}}</math></b></p> <p><b>Ed<sub>y</sub> = <math>\frac{\% \text{ change in Q.D.}}{\% \text{ change in Income}}</math></b></p> <p><b>Ed<sub>x</sub> = <math>\frac{\% \text{ change in Q.D.A.}}{\% \text{ change in Price B}}</math></b></p>	<p><b>Elasticity of Demand (Ed)</b></p> <p><b>Ed = <math>\frac{\% \text{ change in Q.D.}}{\% \text{ change in P}}</math></b></p> $Ed = \frac{\% \text{ change in Quantity demanded}}{\% \text{ change in Price}}$ $Ed = \frac{\Delta Q}{Q} \div \frac{\Delta P}{P} = \frac{\Delta Q}{Q} \times \frac{P}{\Delta P}$ $= \frac{\Delta Q}{\Delta P} \times \frac{P}{Q}$

### 3 Degrees of Elasticity of Demand

Here we will discuss all about the price elasticity of the Demand.

#### 1. Perfectly Elastic Demand :-

When slight or zero change in Price brings about an infinite change in Quantity Demanded of that good, It's called Perfectly Elastic Demand ( $E_d = \infty$ )

We Know

$$PE_d = \frac{\% \text{ Change in Qty}}{\% \text{ Change in Price}}$$

% change in price = 0, then

$PE_d = \text{infinite}$

#### 2. Perfectly In Elastic Demand :- ( $E_d=0$ )

When change in price has zero or no impact on Quantity Demand of that good, then It's called perfectly Inelastic Demand.

We Know

$$PE_d = \frac{\% \text{ Change in Qty}}{\% \text{ Change in Price}}$$

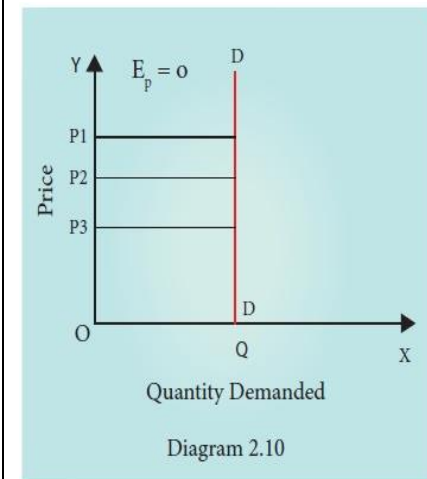
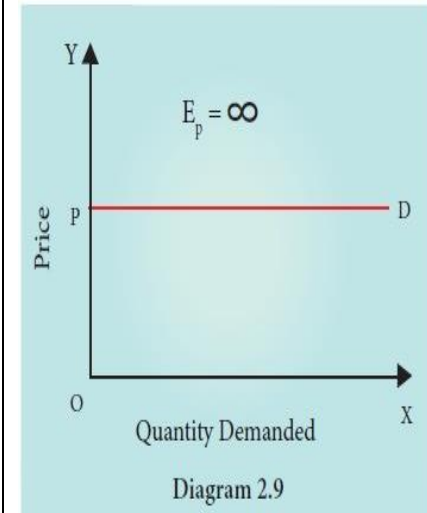
% change in Quantity = 0, then

$PE_d = 0$

Here Q.D. = Quantity Demanded.  
Students will note down formulas.

**Diagrammatic Presentation will be followed.**

Students will draw diagrams and try to understand the concept by putting their queries regarding ongoing concept, Queries will be resolved with the help of examples, diagrams etc.



**3. Unitary Elastic Demand :-  $E_d = 1$**

When % change in Price results the same % change in Quantity Demanded of that good, then it's called unitary elastic Demand.

$$PE_d = \frac{\% \text{ Change in Qty}}{\% \text{ Change in Price}}$$

% change in Quantity = % change in price  
 $E_d = 1$

**4. Greater than Unitary Elastic Demand ( $E_d > 1$ ) :-**

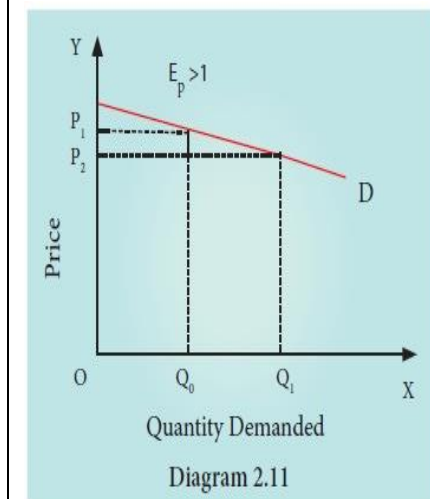
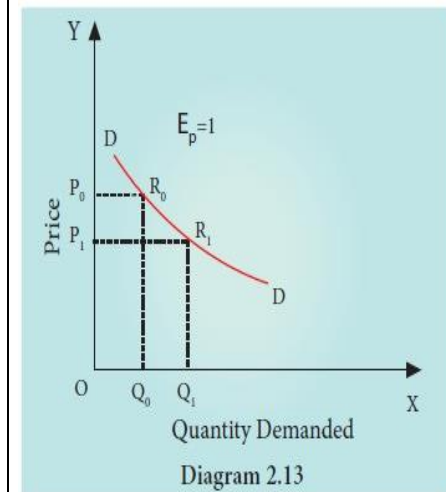
When % change in Price results more % change in Quantity Demanded (% change Q > % change P)

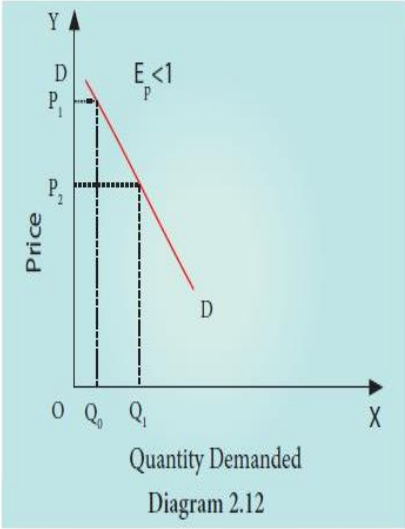
$$PE_d = \frac{\% \text{ Change in Qty}}{\% \text{ Change in Price}}$$

% change in Quantity > % change in price  
 $E_d > 1$

Students will note down formulas and draw the diagrams.

**Diagrammatic Presentation technique will be followed.**

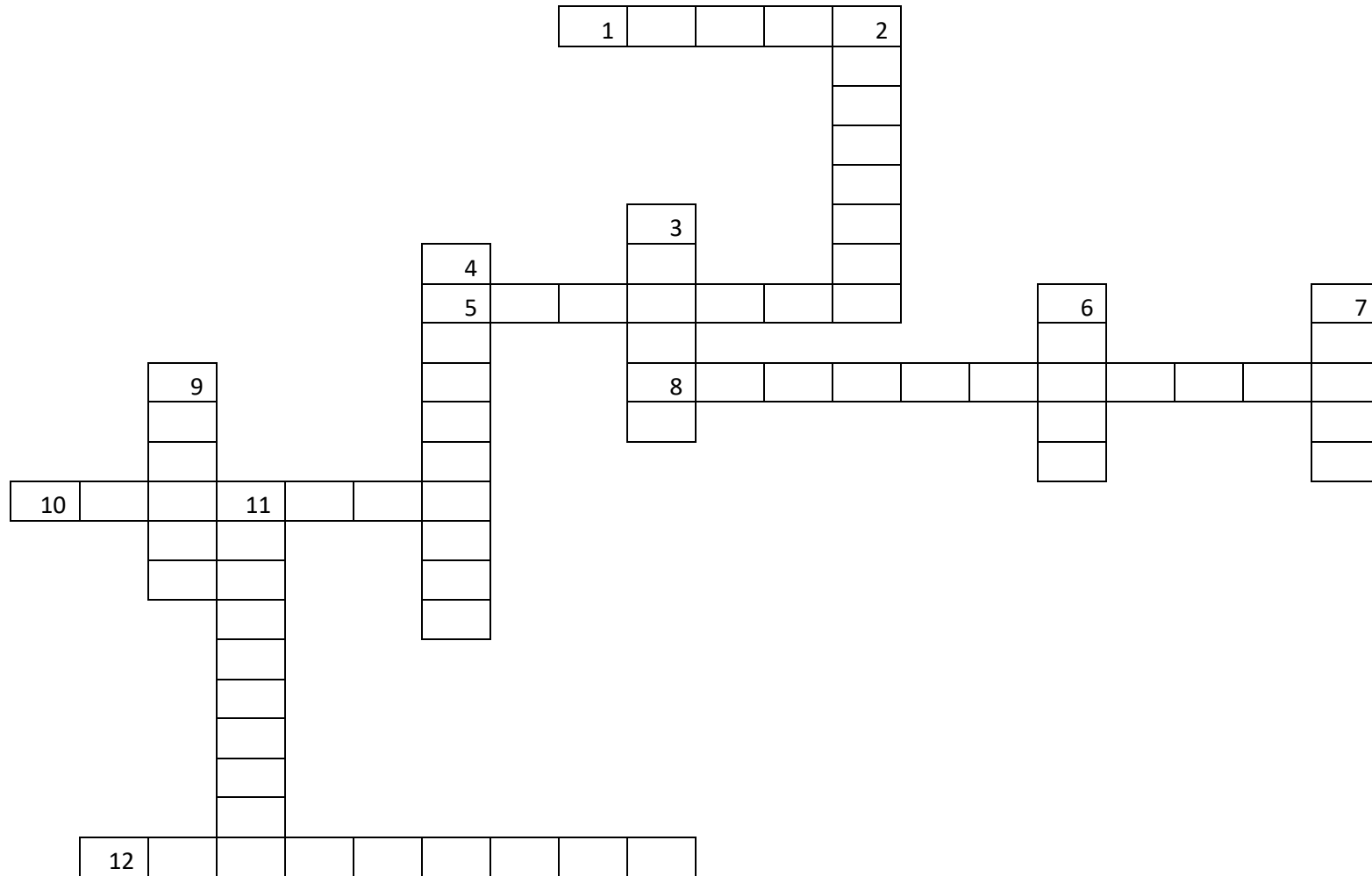


	<p><b>5. Less than unitary Elastic Demand (Ed &lt;1)</b>  When % change in Price results less % change in Quantity Demanded  (change Q/Q &lt; change P/P)</p> $PE_d = \frac{\% \text{ Change in Qty}}{\% \text{ Change in Price}}$ <p>% change in Quantity &lt; % change in price  Ed &lt; 1</p>	<p><b>Diagrammatic Presentation Technique will be followed.</b>  Students will note down the formula and draw the diagrams.</p>	 <p style="text-align: center;">Diagram 2.12</p>
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**8. Recapitulation :**

Elasticity of Demand and its degrees will be revised with the help of diagrams and formulas. For making revision more interesting a crossword will be shared with students to solve.

# Crossword





## Crossword

### Across :-

- 1 goods can be counted in
- 5 staying faithfulness to commitment
- 8 Rivalry where two or more parties strive a common goal.
- 8 Demand changes with Price
- 12 Demand doesn't change with Price

### Down :-

- 2 a situation where there is not enough to satisfy everyone's want
- 3 time of year
- 4 How sensitive demand for a good is compared to changes
- 6 the amount of money expected, required or given in payment for something.
- 7 Products people desire to have
- 9 Quantity of consumers who are willing to buy products at various prices
- 11 Alternative option

### 9 Home Work :-

- a. What do you mean by Elasticity of Demand ? Explain with appropriate Formula.
- b. Explain Degrees of Elasticity of Demand with the help of diagrams.
- c. The quantity demanded of a commodity increase from 8000 units to 10,000 units due to increase in price from Rs. 6000 to 12,000. Find the Elasticity of Demand.

# SOLUTION

