Which of the following combinations of foods most closely fits the definition of a complement?

(a) Tropicana and Minute Maid Orange Juice
(b) Pepsi and Coca-Cola
(c) Mrs. Baird's bread and Colgate toothpaste
(d) Pancakes and maple syrup

Name: __________
Key: __________

October 3, 2012
ACEC 105 - EG #5
2. Which one of the following combinations of goods is in line with a cross-price elasticity of zero?

(a) Mrs. Baird's Bread and Colgate Toothpaste
(b) Pepsi and Coca-Cola
(c) Pancakes and Maple Syrup
(d) Tropicana and Minute Maid Orange Juice
3. Which one of the following combinations of goods is in line with a positive cross-price elasticity?

a) Mrs. Baird's bread and Colgate toothpaste
b) Pepsi and Coca-Cola
c) Pancakes and maple syrup
d) None of the above
Cola products? What is the cross-price elasticity between Pepsi and Coca-Cola? Assume that you are an economic analyst for Pepsi. You suspect that if Coca-Cola raises the price for its products from $3.00 to $3.30, the quantity demanded of Pepsi products will rise by 2%. All other factors are held constant. What is the cross-price elasticity between Pepsi and Coca-Cola? (1 pt)

\[
\frac{\%}{\%} = \frac{10\%}{2\%} = \frac{200\%}{40\%}
\]

What kind of good is pizza? (0.5 pts)

Demand for Pizza between points A and B. According to this diagram, calculate the income elasticity of

\[
P = \frac{15}{0.009} = \frac{15000}{0.009} = \frac{15000}{9} = \frac{15000}{9} = \frac{15000}{9} = \frac{15000}{9}
\]

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