

ECO 4340 Fall 2018

Essay for those unable to attend the Arthur Diamond lecture on October 16, 2018

Write around 300 words (use and show a word count) on the below. Turn in the essay in hardcopy when we reconvene in the classroom at 9pm after the lecture. You can use graph(s) if you find this helpful.

What is the difference in the Price Elasticity of Demand (ϵ_d) in the short-term versus the longer-term, assuming that there is no rent-seeking preventing factor mobility and competition? How does this relate to “consumer sovereignty”?