

Relationship Across Average Revenue, Marginal Revenue, Total Revenue and the Own-Price Elasticity of Demand

	a	b	
Inverse Demand (Average Revenue) Function	$P_d =$	9.00	$-1.00 Q_d$
Marginal Revenue Function	$MR =$	9.00	$-2.00 Q_d$
Total Revenue Function	$TR =$	$9.00Q$	$-1.00 Q_d^2$

$P_d = a - bQ$

$MR = a - 2bQ$

$TR = (P)(Q)$

Quantity	Price	Point Elasticity	Mid-Point Elasticity	Total Revenue
0	\$9.00			\$0.00
1	\$8.00	8.00	17.0000	\$8.00
2	\$7.00	3.50	5.0000	\$14.00
3	\$6.00	2.00	2.6000	\$18.00
4	\$5.00	1.25	1.5714	\$20.00
5	\$4.00	0.80	1.0000	\$20.00
6	\$3.00	0.50	0.6364	\$18.00
7	\$2.00	0.29	0.3846	\$14.00
8	\$1.00	0.13	0.2000	\$8.00
9	\$0.00	0.00	0.0588	\$0.00

