

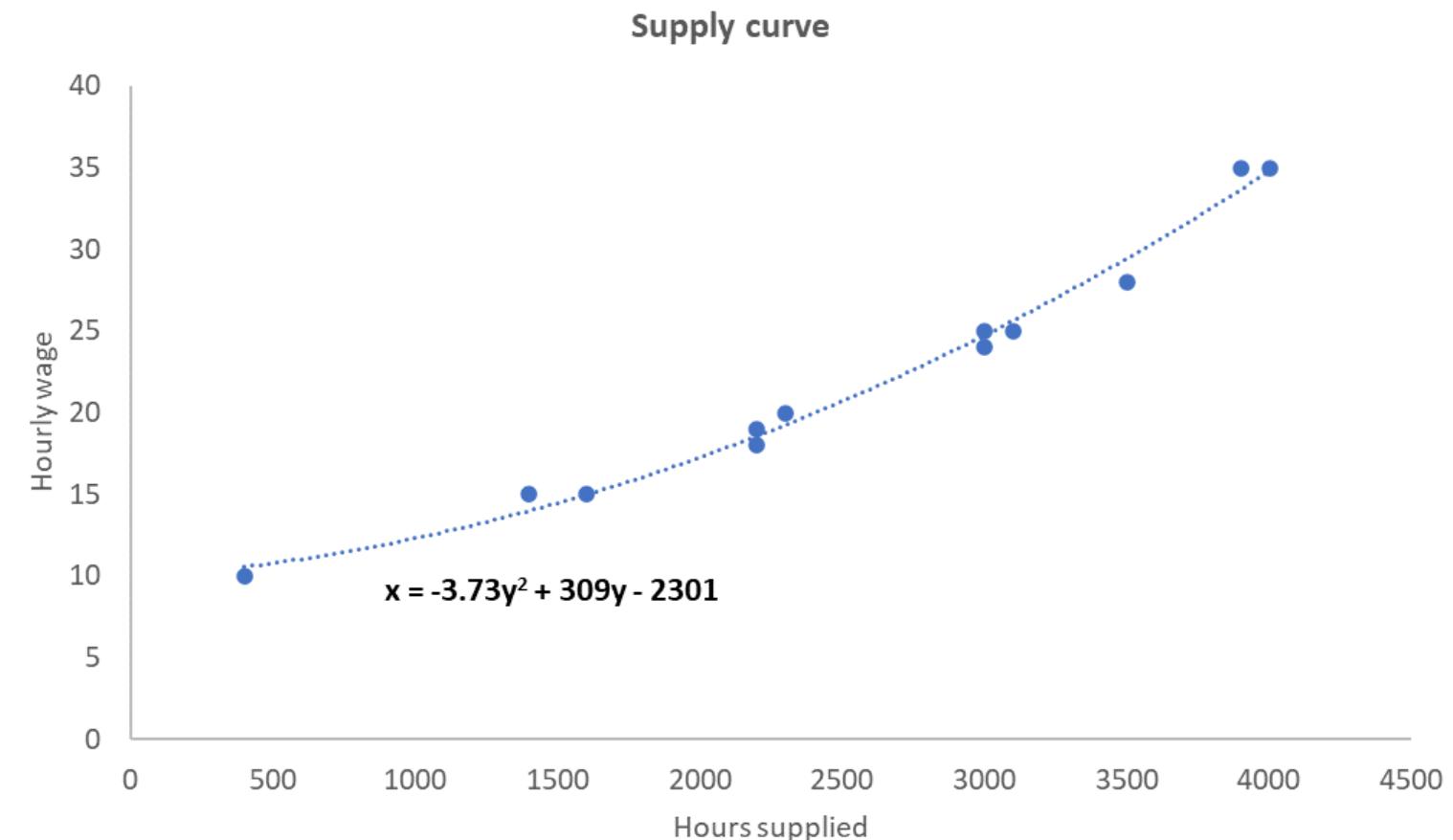
Exercises

SUPPLY

Elasticity of supply

A temporary employment agency providing student labour to agriculture collected these data of hourly wage it was proposing every month last year and hours of labour its pool of students supplied:

Month	Hourly wage	Hours supplied
1	15	1600
2	18	2200
3	24	3000
4	20	2300
5	10	400
6	25	3100
7	35	4000
8	35	3900
9	28	3500
10	25	3000
11	19	2200
12	15	1400



1. Calculate the elasticity of supply
2. By how much should the agency raise its wage next July to attract 5% more student-hours?