

22. Correct. The answer is true. We can write the price elasticity as $(dQd/Qd)/(dP/P) = -0.06$. If $dP/P = -0.10$, then $(dQd/Qd)/(-0.10) = -0.6$. Solving for $dQd/Q = (-0.6)*(-0.10) = 0.06$ or it increases by 6%.