

**25. Correct. The answer is false.** Let the demand equation be  $Q = aP^bY^c$ . We know that  $b = E_p$  and  $c = E_y$ , so the exponents in the above equation are correct. However,  $a = Q/P^bY^c = 38/(750^{-0.6} * 8^{0.5}) = 713.305$  not 22.18.