

25. Incorrect. The answer is false not true. 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.