

24. Correct. The answer is false. OPEC's demand elasticity is

$$\varepsilon_w * Q_w / Q_o - \varepsilon_f * Q_f / Q_o = -0.6 * 75.04 / 29.3 - 0.4 * (75.04 - 29.3) / 29.3 = -2.16.$$

Be sure to remember to subtract the term with the fringe supply elasticity in it.