

## **RESEARCH OF ROLE OF ELASTICITY OF DEMAND AND SUPPLY IS IN ACTIVITY OF FIRM**

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Elasticity - one of the most important categories of economic science. The concept of elasticity allows to find out how adaptation of market is to the changes of his factors. It is usually assumed that at a price increase on a wound businessmen are advantageous to promote suggestion of commodity, promote the volumes of realization. However so is not always: a situation is possible, when the increase of price will result not in a height, and vice versa, to the decline of profit yield by virtue of reduction of demand and corresponding reduction of sale.

Purpose: the impact of the elasticity of demand and supply in the activities of the company.

Research object - the elasticity of supply and demand.

Article of research - depending on the factors and determining the effect of elasticity on the activities of the enterprise.

Methods: content-analysis of concept "Elasticity".

Researchers showed that on elasticity the amount of accessible commodities-substitutes, place of product, influence in the budget of customer, his belonging to the articles of necessity or luxury, and also duration of analyzable period of time is all the factors influencing on elasticity of demand. Really, at a price increase we can give up the additional pair of shoe, valuables, but hardly we will shorten purchase of bread, meat and milk. The practical value of coefficient of elasticity consists in the facilitation of prognostication that, which one industries have chances on prosperity, and what in the future, more credible than all, stagnation expects. For example, high positive elasticity of demand on cars portends prosperity in a motor-car sphere on a long-term prospect, while subzero elasticity on the profit of demand on an agricultural produce supposes chronic difficulties. The different types of elasticity differently characterize a market condition: elasticity of demand at price shows on how many percents one variable economic quantity will change at a change other on one percent, and can be used by an enterprise for planning of production and realization of products volumes. Thus, elasticity of demand is the necessary factor of prognostication of behavior of enterprise at the market, as in a long-term prospect as well as in short-term.