



The Problem

Cappuccino



Cappuccino (1)

Demand function for a cup of cappuccino is $Q = 100 - P$. Let assume that MC is 0.

1. Find the best price on the diagram.
2. Find the best price with algebra.
3. Which approach is faster?



Cappuccino (2)

Demand function for a cup of cappuccino is $Q = 100 - P$.
Let assume that MC is 10.

1. Find the best price on the diagram.
2. Find the best price with algebra.
3. Which approach is faster?



Cappuccino (3)

Demand function for a cup of cappuccino is

$Q = 100 - P$. Let assume that $MC = 0.1Q$

1. Find the best price on the diagram.
2. Find the best price with algebra.
3. Which approach is faster?



Cappuccino (4)

Demand function for a cup of cappuccino is $Q = 100 - 10P^{1/2}$. Let assume that $MC=10$.

1. Find the best price on the diagram.
2. Find the best price with algebra.
3. Which approach is faster?

