

# The Problem Cappuccino

60 30° (RO) 300 578 600

## **Cappuccino (1)**

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

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

# **Cappuccino (2)**

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

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

#### **Cappuccino (3)**

Demand function for a cup of cappuccino is Q = 100 - P. Let assume that MC=0.1Q

Find the best price on the diagram.
 Find the best price with algebra.
 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?