**Sample Questions on Logit and Multinomial Models**

1. Consider the Coke-Pepsi example from class 7. The estimated model is:
   1. What is the predicted market share of PEPSI if DispCoke = 0, DispPepsi = 0 and Pratio = 1?
   2. In above case, how does the market share of PEPSI change if Coke uses a display?
2. Consider the Coke – Pepsi – 7up example from class 8. The estimated model (version 1) is:
   1. What is the predicted market share of Coke if PriceCoke = 1, PricePepsi = 1.5 and Price7up = 1.2?
   2. If the price of Coke increases to 1.1, which brand gains the most market share?
3. Consider the video game console example from class 9. The estimated model is:
   1. What is predicted market share of XBox if PriceXBox = 200, PricePS = 220 and PriceWii = 190?
   2. What fraction of the overall market will buy a console?
   3. If the market potential for video game consoles is 10 million units, what is the predicted sales for each of the consoles?
   4. If the price for Xbox drops by $10, how does it affect overall sales of consoles? How does it affect the sales of Xbox? What portion of the change in Xbox sales is from market expansion and what portion is from brand switching? Which brand loses the most sales?
   5. If the price for Xbox increases by $10 (from 200), how does it affect overall sales of consoles? How does it affect the sales of Xbox? What portion of the change in Xbox sales is from market contraction and what portion is from brand switching? Which brand gains the most sales?