Assessed submission

Assignment Unit 2: Analyzing Price Elasticity and Total Revenue in Restaurant Pricing

submitted on *Sunday, 20 April 2025, 10:15 PM*

This analysis shows that between $20 and $18, demand is elastic, and total revenue increases with a price drop. Between $18 and $16, demand is inelastic, and revenue decreases as price falls. These outcomes confirm the expected relationship between price elasticity and total revenue, highlighting how understanding demand responsiveness is crucial for setting optimal pricing strategies.

- Assignment Unit 2 Analyzing Price Elasticity and Total Revenue in Restaurant Pricing .docx

Instructions for assessment

Please use the provided Assessment Form to peer assess 3 of your classmates' assignments.

Your assessment
by Liang Xiao
Not assessed yet

Assessment form

Aspect 1

Using the "Unit 2 Written Assignment Solution" link (provided in Unit 3), award the 10 points for each correct answer. In your comments/feedback, include the points your awarded for each section, and your rationale.

a) Compute the price elasticity of demand between these two points.

Grade for Aspect 1

Choose...

Comment for Aspect 1

Aspect 2

b) Would you expect total revenues to rise or fall? Explain.

Grade for Aspect 2

Choose...

Comment for Aspect 2

Aspect 3

c) Suppose you have reduced the average price of a meal to $18 and are considering a further reduction to $16. Another survey shows that the quantity demanded of meals will increase from 450 to 500 per day. Compute the price elasticity of demand between these two points.

Grade for Aspect 3

Choose...

Comment for Aspect 3

Aspect 4

d) Would you expect total revenue to rise or fall as a result of this second price reduction? Explain.

Grade for Aspect 4

Choose...

Comment for Aspect 4

Aspect 5

e) Compute total revenue at the three meal prices. Do these totals confirm your answers in #2 and #4 above?

Grade for Aspect 5

Choose...

Comment for Aspect 5

Overall feedback

Feedback for the author

Attachment

Maximum file size: 10 MB, maximum number of files: 7

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