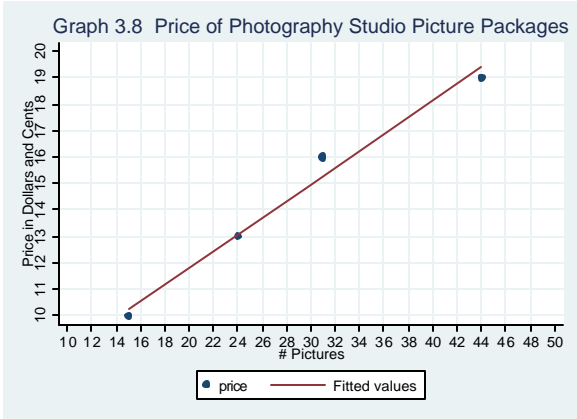


8.



price	Coef.	Std. Err.	t	P> t	[95% Conf. Interval]
npic	.3140312	.0283473	11.08	0.008	.1920627 .4359996
_cons	5.550111	.8619154	6.44	0.023	1.841589 9.258634

Slope: Each picture costs \$.314 on average.

Y-intercept: The average starting price of a set of pictures is \$5.55 (that is, the average baseline cost not including pictures), which then increases by an average of \$.314 for each number of pictures purchased.

price	Coef.	Std. Err.	t	P> t	[95% Conf. Interval]
(1)	29.10245	1.35193	21.53	0.002	23.28557 34.91933

Average cost of a 75-print package: \$29.10 (which equals the y-intercept [\$5.55] + 75 pictures\*.314).

Suggested # prints in a \$7.99 special offer: using \$5.55 as the average baseline price, an average of 7.77 photos would represent the standard price per picture (\$.314) and thus would represent no discount. A special offer of 10 pictures would cost \$.244 per picture, which would be a discount of \$.07 per picture (.314-.244). A special offer of 20 pictures would cost \$.122 per picture, which would be a discount of \$.192 per picture (.314-.122).

$$Y = .314x + 5.55$$

$$\begin{aligned} 7.99 &= .314x + 5.55 \\ -5.55 &\quad -5.55 \\ \hline 2.44 &= .314x \end{aligned}$$

$$\begin{aligned} 2.44 / .314 &= .314x / .314 \\ 7.77 &= x \quad [\text{the \# prints at the standard price per print}] \end{aligned}$$

$2.44/10 = .244$  per picture  
 $2.44/20 = .122$  per picture

discount per picture =  $.314 - .244 = .07$   
discount per picture =  $.314 - .122 = .192$