1. KRMY-TV is contemplating a T-shirt advertising promotion. Marketing sales data from T-shirt shops marketing the “Eye Watch KRMT-TV design indicate that

\[ Q = 1,500 - 200P \]

Where \( Q \) is T-shirt sales and \( P \) is price

a. How many T-shirts could be sold at $4.50 each?
b. What price would KRMY-TV have to charge to sell 900 shirts?
c. At what price would sales equal 0?
d. How many shirts could be given away?
e. What is the point price elasticity of demand at a price of $5?

The following problems are found in the Hirschey text at the end of chapters 4 (pp 155 – 158) and 5 (pp191 – 194):

2. P 4.5
   a. True.
   b. False.
   c. True.
   d. False.
   e. False.

3. P 4.6
4. P 4.7
5. P 4.8
6. P 5.6. Remember that when revenues are maximized, marginal revenue is equal to zero.
7. P 5.9 A - C