**Instructions**

Review the following memorandum and provide a response to the information requested.

**DATE:**September 12th

**FROM:** Senior Consultant

**TO:** Consulting Team

**RE:**Projections for Upcoming Year

A smaller 2-year old emerging venture is set to enter a new segment of its original target market, with a modified version of very popular product already being sold by about a half dozen suppliers in that space. The detailed marketing research produced the model: Q = 44,000 – 12.70P.

Her targeted price seems to be around $3,200 +/- (she hopes, subject to many factors). We've helped her develop an overhead/operations budget for next year at $965,000. Her labor + materials + related direct cost of production are modeled as: $2,566.59Q + .0811Q2.

Get some analysis completed in time for our meeting with her and hear advisory team before September 14th. We examined a range of possible annual production runs between 400 and 4,000 units manufactured and sold. We need some basic answers to these:

1. Demand function and graph  
2. Sales function and graph  
3. Total cost function and graph