

1 Write the theoretical demand equation using the appropriate variable names you created when you prepared data for analysis. The variable names should be very short and must be in capital letters. For instance, QTY for Y, PRPIZZA for X1, PRSDRK for X3. For example, if you used QTY for quantity, use QTY in the estimating demand equation rather than Y. Remember to use the exact same variable names you used in the data. In other words, do NOT use Y and X1, X2, X3, and so on, as done in the textbook.

2 After estimating the pizza demand, write the estimated demand equation. Make sure you use the estimated coefficients you obtained from the regression output.

3 Is the estimated coefficient of the price of pizza statistically significant at the 5% level? You can use either the t-test or the P-value (read my lecture note on testing hypothesis). What does it mean when you reject the null hypothesis?

4 Compute the price elasticity of demand. When computing the price elasticity of demand, use the average price elasticity of demand.

5 What is the adjusted R-square? Explain the meaning the number you got.

need two files - the data file and an excel regression output along w/ a word file containing all answers and formulas used.