

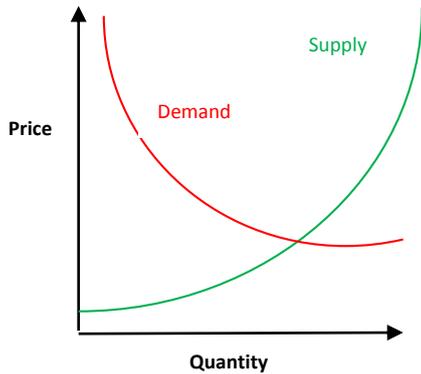
Question #57230, Economics, Other

Many service industries such as restaurants, night clubs, movie theatres and hair dressers experience much higher demand during weekends compared to week days. Explain a pricing strategy which would increase profits compared to a single price profit maximizing strategy. Be sure to include a graph which explains your demand, marginal revenue, and marginal cost.

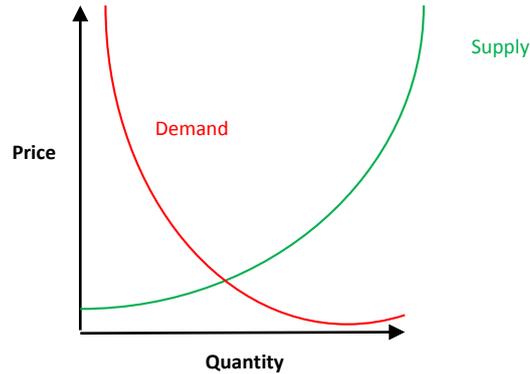
**Answer:**

For the listed services the offer is the same during the week-days and weekends.

However, the demand is low during the week-days and high during the weekends.



**Weekday**



**Weekend**

In order to increase demand during weekdays the right price policy is needed.

So that, the price for the product can be lower during the weekdays and higher during weekends.