

This is the price list at Hana's beach bar.

Drinks	
Cola	80p
Lemonade	60p
Fruit juice	£1.50
Smoothie	£1.99

Snacks	
Ice cream	£1.20
Ice lolly	70p
Muffin	£1.30
Cookie	55p

- (a) In summer, Hana's best-sellers are ice creams and ice lollies. Hana makes a profit of 30p on each ice cream she sells. She makes a profit of 65p on each ice lolly she sells. She reduces the price of ice lollies by 50% to increase her profits.

	Before price change	After price change
Average number buying ice creams	84	75
Average number buying lollies	53	126

Do you think the price reduction is a good idea?

- (b) Hana also decides to increase the ice cream price by 10p. She estimates that
- 10% of ice cream customers will go somewhere else to buy ice cream
 - 5% of ice cream customers will buy an ice lolly instead.

What is likely to happen to Hana's profits?