

Name: _____

Starbucks Pricing

Background

Starbucks is seeking to introduce the “Trenta” - their 30oz size of any beverage.

As they are deciding on prices, two executives are arguing over which should be more expensive -- the Caffè Misto or the Full-Leaf Brewed Tea.

Task

Recommend a price for the Caffè Misto Trenta and for the Full-Leaf Brewed Tea Trenta.

Support your solution using sound mathematical reasoning.

Resources

Starbucks currently offers the following sizes:

- Tall = 12oz (like a small size)
- Grande = 16 oz (like a medium size)
- Venti = 20 oz (like a large size)

Here is a portion of the current menu -->

**With your group, come up with initial estimates for the prices.
Write them below.**

Caffè Misto Trenta (30 oz.) estimated price:

Full-Leaf Brewed Tea Trenta (30 oz.) estimated price:



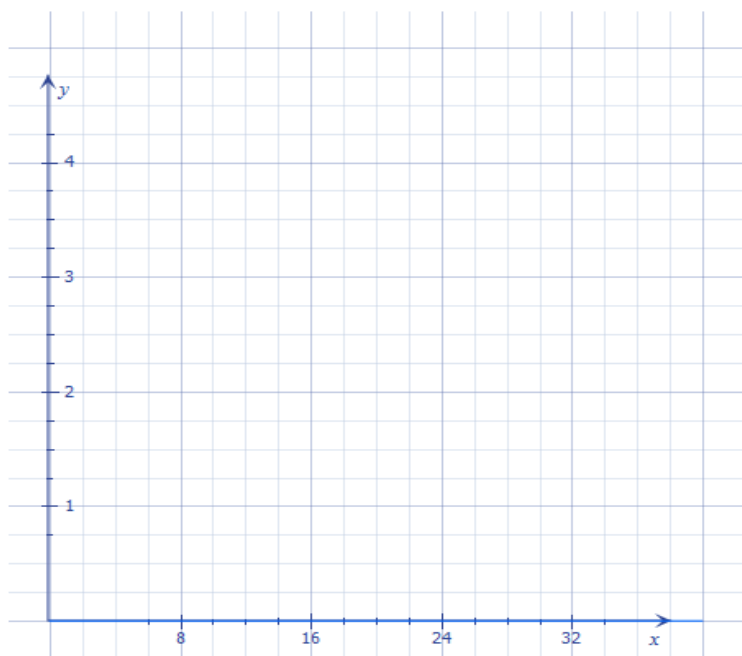
Group Accountability

Demonstrate adequate mathematical reasoning to support your recommendation.

Individual Accountability

Any member of the group should be able to explain the logic behind any of the conclusions that the group has made.

Part 1: Plot points and Label Axes



Extension #1

1. Do you see any patterns? If so, what do you see?

2. How does plotting points help you to determine the prices for the new drink size?

3. Predict a reasonable price for a venti sized Café Misto and a venti sized Full-Leaf Brewed Tea.

4. At what size do you think that the Tea and the Caffe Misto should have the same price? Back up your argument using sound mathematical reasoning.

5. Use your equations to predict the prices of new “Trenta” sized variations of the two drinks. Show mathematical reasoning.

“Café”

“Tea”

6. Do your predictions agree with the graph you generated, if we followed the pattern? Explain.

Word Bank

Line	Ordered Pair	X-Value	Y-Value
Rate	Ounce(s)	Dollars	Independent Variable
Dependent Variable	Input	Output	Equation
Graph	Model	Forecast	Predict
Solve	Linear	Function	Slope