Renting a Car for Vacation

There are two major car rental companies in Douglasville. There has been a rumor that a new company is going to open soon. The two that are already here are the Thrifty Car and the Travelers Car companies. Thrifty Car rental charges $175 plus $0.10 per mile. Travelers Car rental charges $220 plus $0.05 per mile.

You have been asked to develop a pricing for the new car rental company, Better Than Them Car Rentals. This company wants to be competitive so they want you to use the information form the two companies mentioned above.

* 1. Develop a pricing system, which charges less per mile and still intersects with the other two companies at the same point? Write an equation for this pricing system. (Hint: you will need to create a graph that shows the other two companies’ prices.)
  2. Develop a pricing system, which charges more per mile and still intersects with the other two companies at the same point?

Write an equation for this pricing system.

c. Based on your graphs, decide what the best pricing plan for the new

company is going to be. Justify your answer.