



# INDIAN SCHOOL AL WADI AL KABIR

<b>Class: XII</b>	<b>Department: Commerce</b>
<b>Subject: Marketing</b>	<b>Part I – Subject Specific Skills</b>
<b>Worksheet: 01</b>	<b>Chapter 2: Price</b>

## I. Choose the correct option from the given alternatives

1. On Wednesdays, Big Bazaar used to cut back the price of fruits and vegetables to attract large number of customers, however, no change was made on the price of the other products. What are vegetables and fruits called for Wednesday? **(CBSE 2022)**  
  
(a) **Loss Leaders**  
(b) Assorted products  
(c) Branded products  
(d) Premium products
2. Name the pricing method which tells the firm what prices competitors are charging in the market, but it ignores replacement costs issue. **(CBSE 2022)**  
  
(a) Markup pricing  
(b) Cost plus pricing  
(c) Break-even pricing  
(d) Demand oriented pricing
3. Which of the following is an external factor that affects pricing decisions? **(CBSE 2022)**  
  
(a) Product differentiation  
(b) cost of production  
(c) objectives of the firm  
(d) **competition**
4. When a market has potential for growth, what is a better indicator of a firm's effectiveness than target return on investment? **(CBSE 2022)**  
  
(a) preventing competition  
(b) price stabilization  
(c) **market share**  
(d) maximum profit
5. Skimming-the-cream pricing policy should not be adopted when \_\_\_\_\_ **(CBSE 2019)**

- (a) the product is new and is a speciality product
- (b) heavy expenses have been incurred on the development and introduction of the product
- (c) demand is to be restricted to the level which can be easily met
- (d) the demand for the product is highly elastic**

6. Payment to salesman and advertising are examples of which type of cost? (CBSE 2020)

- (a) Fixed
- (b) Semi-Variable
- (c) Variable**
- (d) None of the above

7. \_\_\_\_\_ is the amount of money needed to acquire some combination of goods and its accompanying services. (CBSE 2020)

- (a) Cash flow
- (b) Money
- (c) Cash
- (d) Price**

8. The policy of charging very high price in the initial stages of the life of a product is called \_\_\_\_\_ (CBSE 2019)

- (a) Skimming-the-Cream Price Policy**
- (b) Penetrating Price Policy
- (c) Follow-the-Leader Price Policy
- (d) Non-competitive Price Policy

9. Under this pricing policy, different customers are charged different prices: (CBSE 2018)

- (a) Skimming-the-cream
- (b) Penetrating
- (c) Follow-the-leader
- (d) Discriminating**

10. If one of the firms in an industry sets the price of the product and all other firms sell at the same price, it will be called \_\_\_\_\_ CBSE 2019

- (a) Non-competitive price
- (b) Option less price
- (c) Follow-the-leader price**
- (d) Non-discriminatory price

11. A higher brand-value and better quality corresponds to a \_\_\_\_\_ in the market.

- (a) higher product price**
- (b) lower product price
- (c) highest product price
- (d) lowest product price

12. When there is depression or negative sentiment due to \_\_\_\_\_ in market, price is also kept low by firms.

- (a) lack of capital
- (b) lack of market
- (c) lack of demand**
- (d) lack of supply

13. Too high or too low pricing of a product could mean lost \_\_\_\_\_ for the organisation.

- (a) income
- (b) capital
- (c) revenue
- (d) sales**

14. \_\_\_\_\_ means the creating resources for either self - development or reinvestment in the firm. Prices are deliberately set high in certain cases to generate surplus for reinvestment in the same firm or its sister concerns.

- (a) Resource allocation

- (b) Resource allocating
- (c) Resource development
- (d) Resource Mobilizing**

15. Highly priced commodities generally witness a \_\_\_\_\_ trend in comparison to moderately priced goods.

- (a) High
- (b) Low
- (c) Sluggish sale**
- (d) Low sale

16. \_\_\_\_\_ is one of the most important elements of the marketing mix.

- (a) Product
- (b) Price**
- (c) Place
- (d) Promotion

17. The term price denotes \_\_\_\_\_ of a product.

- (a) product value
- (b) value
- (c) money value**
- (d) cash value

18. The \_\_\_\_\_ element, concerned with the advertising and promotion of the firm's product leads to expenditure on different promotion and advertising media like TV& Radio advertising, sample-promotion, etc

- (a) Place
- (b) Promotion**
- (c) advertising
- (d) sales promotion

19. \_\_\_\_\_ is the basic objective of any business.

- (a) profit
- (b) surfing
- (c) production
- (d) survival**

20. The price represents cost of \_\_\_\_\_.

- (a) cost of product and sales
- (b) cost of goods and services
- (c) profit and marketing
- (d) production and profit margin**

21. \_\_\_\_\_ as an objective is prevalent in industries that have a price leader.

- (a) Place stabilization
- (b) Promotion stabilization
- (c) Promotion stability
- (d) Price Stabilization**

22. \_\_\_\_\_ is meaningful measure of success of a firm's marketing strategy.

- (a) customer survey
- (b) Business share
- (c) Market measurement
- (d) Market Share**

23. Prices are deliberately set high in certain cases to generate surplus for \_\_\_\_\_ in the same firm or its sister concerns.

- (a) investment
- (b) income
- (c) profit making
- (d) reinvestment**

24. Which of the following given statement is not an objective of pricing:

- (a) To achieve target rate of return on invested capital
- (b) To face competition
- (c) To reduce the cost of raising capital**
- (d) To maintain or improve share of the market 13.

25. Availability of quality goods at competitive price \_\_\_\_\_ social welfare in society.

- (a) neutralizes
- (b) minimizes
- (c) maximizes**
- (d) minimize

## II. FILL IN THE BLANKS

1. **Team pricing** is the type of pricing companies sell a package or set of goods or services for a lower price than they would charge if the customer buys all of them separately.
2. **Everyday low pricing** is where sellers determine price of the product according to everyday demand and supply.
3. **Pricing Lining** is used extensively by retailers.
4. **Discrimination or Dual Pricing** is a pricing method where a firm will charge different prices from different customers according to their ability to pay.
5. The seller may charge higher prices during the initial stages of the product life- that is, during the introduction of the new product in market. This type of pricing is called as **Market Skimming Pricing**.
6. **Skimming** involves setting a very high price for a new product initially and to reduce the price gradually as competitors enter the market.
7. **Perceived value pricing** uses buyers' perception of value and not the sellers cost as the key to pricing.
8. When customer demand sets up the price of a product in the market, it is called **Demand oriented pricing**.
9. During a boom-period in the economy, when market conditions are favourable due to bullish attitude or **inflationary trend**, firms can afford to fix higher prices of their products.

10. **Price** being an important element of the marketing-mix must be coordinated with the other elements- product, place, and promotion.
11. Price has an important bearing on the firm's financial goals, i.e. **Revenue and Profit**.
12. **Pricing Policy** of a firm is a major determinant of a firm's success as it affects the firm's competitive position and share in the market.
13. **Price Stabilization** is an objective is prevalent in industries that have a price leader.
14. **Market share** is meaningful measure of success of a firm's marketing strategy.
15. Too high or too low pricing of a product could mean **lost sales** for the organisation.
16. The term price denotes **money value** of a product.
17. **Right price** denotes the level of price which can cover all these expenditures on the final product and brings some profit to the firm
18. Team Pricing is also called as **product bundling**.
19. Everyday low pricing is followed generally in case of **perishable goods**.
20. **Resale Price Maintenance pricing** considers three parties, the manufacturer, the distributor of the manufacturers and the consumer.
21. Price lining simplifies pricing decisions in the future as **retail prices** are already set.
22. Customary Pricing and Price Lining are examples of **psychological pricing**.
23. **Odd Pricing** is also a form of psychological pricing, whereby prices are set at odd numbers such as Rs. 99, Rs. 149, Rs. 990 which makes the customers falsely believe that they're paying a lesser price.
24. In Leader pricing, the prices of one or a few items may be cut temporarily to attract customers. Such products are called "**loss leaders**".
25. **Premium pricing or Prestige pricing** can give rich dividend when buyers are not price-conscious and are willing to pay a higher price for a better product.
26. In Discrimination or Dual Pricing method, a firm will charge **different prices from different customers** according to their ability to pay.
27. In case of **variable-price policy**, the seller sells similar quantities to similar buyers at different prices