



## INDIAN SCHOOL AL WADI AL KABIR

**Class: XII**

**Topic: UNIT 2 – PRICE DECISION**

**Department:  
COMMERCE**

**WORKSHEET NO: 1**

### **I. CHOOSE THE RIGHT OPTION:**

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

(a) Product

**(b) Price**

(c) Place

(d) Promotion

2. 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**

2. 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

3. The term price denotes money value of a product.

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

4. \_\_\_\_\_ 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**

5. The Promotion 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

6. Survival is the basic objective of any business.

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

7. The price represents cost of production and profit margin.

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

8. Businessmen have started to think from the perspective of society instead of only focusing on maximizing profits and have incorporated business with other activities which help fulfil their societal obligations.

- (a) society**
- (b) social
- (c) business
- (d) social responsibility

9. Price Stabilization as an objective is prevalent in industries that have a price leader.

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

10. Market share is meaningful measure of success of a firm's marketing strategy.

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

11. Prices are deliberately set high in certain cases to generate surplus for **reinvestment** in the same firm or its sister concerns.

- (a) investment
- (b) income
- (c) re invest
- (d) reinvestment**

12. This one of the following 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. Availability of quality goods at competitive price ----- social welfare in society.

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

## **II. FILL IN THE BLANKS:**

14. **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.

15. **Everyday low pricing** is where sellers determine price of the product according to everyday demand and supply.

16. **Pricing Lining** is used extensively by retailers.

17. **Discrimination or Dual Pricing** is a pricing method where a firm will charge different prices from different customers according to their ability to pay.

18. 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**.

19. **Skimming** involves setting a very high price for a new product initially and to reduce the price gradually as competitors enter the market.

20. **Perceived value pricing** uses buyers' perception of value and not the sellers cost as the key to pricing.

21. When customer demand sets up the price of a product in the market, it is called **Demand oriented pricing**.

22. 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.

23. **Price** being an important element of the marketing-mix must be coordinated with the other elements- product, place, and promotion.

24. Price has an important bearing on the firm's financial goals, i.e. **Revenue and Profit**.

25. **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.

26. **Resource Mobilizing** means the creating resources for either self – development or reinvestment in the firm.

27. **Price Stabilization** is an objective is prevalent in industries that have a price leader.

28. **Market share** is meaningful measure of success of a firm's marketing strategy.

29. The price represents **cost of production** and **profit margin**.

30. Too high or too low pricing of a product could mean **lost sales** for the organisation.

31. The term price denotes **money value** of a product.

32. **Right price** denotes the level of price which can cover all these expenditures on the final product and brings some profit to the firm.

### **III. ANSWER THE FOLLOWING QUESTIONS:**

33. Write a note on One Price versus Variable Price Policy.

34. Define Market Skimming Pricing.

35. What is Premium or Prestige Pricing.

36. Price discrimination occurs in many forms, Explain

37. Explain Sealed Bid pricing.

38. Profit maximisation should not be the sole objective of pricing. Why?

(3 marks) - CBSE 2019

39. Discuss any one method of Pricing. State its advantages and disadvantages.

(5 marks) - CBSE 2019

40. Explain factors affecting the differential pricing method.

(2 marks) - CBSE 2020

41. Explain market-related objectives of pricing.

(3 marks) - CBSE 2020

42. What is Penetrating Price policy? Give one example.

(2 marks) - CBSE 2018

43. Differentiate between 'Cost' and 'Price'.

(2 marks) - CBSE 2018