INDIAN SCHOOL AL WADI AL KABIR

Class: XII	**Department: Commerce**
Subject:	**Marketing - 2026**
OTQs & DTQs	**Chapter 2: Price**

QT NO	OBJECTIVE TYPE QUESTIONS
1	____________ is the basic objective of pricing. a. Survival **b. Profitability** c. Preventing competition d. Price stabilization
2	This is the only element which generates revenue for an organization and determines growth. a. Place b. Promotion **c. Price** d. Product
3	This is the practice of setting prices that takes into account the company's profit objectives and covers its cost of production. a. Demand based pricing b. Competition oriented pricing **c. Cost oriented pricing** d. Break even pricing
4	Which pricing method is followed by managers when retail price changes are likely to go beyond the give range and price changes by competitors have a substantial effect on the company's sales? **a. Going rate pricing** b. Sealed bid pricing c. Value based pricing d. Price lining
5	The firms which are not able to market their products at good prices cannot survive in the long run, as they are not able to pay for the ____________ a. Variable factors of production b. Fixed factors of production **c. Various factors of production** d. Cost
6	If the demand for a product is inelastic, firms can fix a price of the product which will be ________ **a. High** b. Low c. Covers the cost d. None
7	Under which pricing policy, a very low price is set to attract as many buyers as possible? a. Competitive **b. Penetration pricing** c. Discriminatory d. Follow the leader
8	Which pricing method are customary pricing and price lining examples of?

	a. Dual pricing **b. Psychological pricing** c. Leader pricing d. Prestige pricing
9	Which of the following is true about price except. **a. Price is independent of the other elements of the marketing mix** b. Price is the monetary value of the product c. Price is most flexible tool in the marketing mix d. Price is marketing mix element which produces revenue
10	Adding a standard profit to the cost of the product refers to ________ a. Premium pricing b. Price elasticity c. Break even pricing **d. Cost plus pricing**
11	___________ = Unit Total Cost + Desired Unit Profit a. Cost oriented pricing b. Markup pricing **c. Selling price** d. Break – even pricing
12	A shirt manufacturer decided to manufacture shirts of premium quality. He will use rarely available sea-shells as buttons and will adopt exclusive promotional strategies to sell his product to such buyers who want a better product only. Name the pricing method suitable for him.- prestige pricing
13	If the fixed expenses in a production unit are ₹ 5,40,000, variable cost per unit is ₹ 150 and selling price is ₹ 200, find the BEP quantity. **a. 10800 units** b. 1080 units c. 1800 units d. 108000 units
14	A new entrant manufacturer of eye masks wants to set the price in a way so that he can recover the initial investment on the product quickly and reap higher profits during the introduction stage. Which pricing method will be adopted by him? a. Leader pricing b. Price lining c. Dual pricing **d. Skimming pricing**
15	This is a popular method of pricing the product among the retailers. As the industry leader changes the price, the firm can increase or decrease the price accordingly under conditions of pure competition and oligopoly. Name the pricing method discussed above. a. Sealed bid pricing **b. Going rate pricing** c. Competitive pricing d. Psychological pricing
16	Generally, fruits are sold at a reduced price during the night time in the market. Which pricing method is adopted by the vendor selling fruits at a reduce price during the night time in the market? a. Psychological pricing b. Resale price maintenance **c. Everyday low pricing** d. Team pricing

17	This method of pricing is used when the market is highly competitive and the product is non-differentiated significantly with respect to competing products. a. Value based pricing **b. Competitive pricing** c. Team pricing d. Price lining
18	In case no other business organisation in the market is offering similar products, then what type of price will be fixed by the seller? **a. Higher price** b. Lower price c. Cannot comment d. Very low price
19	On Wednesdays, Big Bazar 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 other products. What are vegetables and fruits called for Wednesday? **a. Loss leaders** b. Assorted products c. Branded products d. Premium products
20	Name the pricing method which tells the firm what prices competitors are charging in the market, but it ignores replacement costs issue. a. Mark-up pricing b. Cost plus pricing c. Break-even pricing **d. Demand oriented pricing**
21	When a market has potential for growth, what is a better indicator of a firm's effectiveness than target return on investment? a. Preventing competition b. Price stabilization **c. Market share** d. Maximum profit
22	What is chosen by the management of a firm while making estimates of profits at different levels of production at different prices? a. Quantum of production b. Cash flow to the firm c. Revenue to the firm **d. Best combination of production, volume and prices**
	DESCRIPTIVE TYPE QUESTIONS
1	Identify and state which type of pricing policy is suitable where little is known about the price elasticity of the product. **Method:** Demand-oriented pricing **Reason:** Used when price elasticity is not clearly known; based on consumer demand.
2	A consumer has to pay different price for a normal size of samosa in a cinema hall and at a fast food stall. Identify and explain the pricing method stated above. **Method:** Discriminatory pricing **Explanation:** Same product sold at different prices in different places.
3	Intensity of demand for the product would be different with different desires and wants. Identify and state the type of method of pricing **Method:** Demand-based pricing **Reason:** Prices vary according to intensity of demand.

4	It is that marketing policy under which the manufacturer of an article places restrictions on the price at which it shall be sold by one intermediary to another intermediary and ultimately to the consumers. Identify and state the marketing policy given above. **Policy:** Resale Price Maintenance (RPM) **Explanation:** Manufacturer fixes price for intermediaries.
5	Existing firms may opt for a pricing method to prevent new firms from entering the market. State this method of pricing. **Method:** Penetration pricing **Reason:** Low price to discourage new entrants.
6	You are tasked with pricing a new line of eco-friendly water bottles. Considering the increasing environmental awareness among consumers, explain how penetration pricing could be used to gain market share for this product. (Hint: Set an Initial Low Price, promote the product's benefits, Increase Market Share, gradually raise prices)
7	Identify and explain the method of market driven pricing which is practised where the marketer does not analyze market for its intensity of demand. **Method:** Going rate pricing **Explanation:** Price set according to competitors without analyzing demand.
8	State any 2 conditions where penetration pricing policy is very effective.
9	Identify and explain the type of pricing that will be effective if the market can be broken down with different price elasticity of demand. **Method:** Discriminatory pricing **Explanation:** Different prices for different segments based on elasticity.
10	A survey conducted by a coffee producer revealed that 72% cotton consumers are habitual of using his cocoa seeds. On the basis of this survey, what type of price should be fixed by him? (hint: low, moderate, high, discriminatory)
11	A firm sells the same product at two or more prices that do not reflect a proportional difference in costs. Name the pricing strategy highlighted above and explain any three forms in which this pricing strategy can be applied. Ans: discriminatory pricing.
12	How do government regulations control prices? – external factors point
13	Elucidate the features of differential pricing.
14	Explain any two market related objectives of pricing.
15	Consumers' buying decisions also depends upon price of the product up to a great extent. Highly priced commodities generally witness a sluggish sale trend in comparison to moderately priced goods. In the light of this statement, explain the importance of pricing to customers.
16	Imagine you are a pricing analyst for a consumer electronics company considering the adoption of skimming pricing for a new product launch. Describe the key features of skimming pricing and explain how this strategy can contribute to maximizing revenue and establishing a competitive advantage in the market. Provide examples to support your explanation
17	Identify and explain any 3(three) common methods of the pricing method which sets the price of a product or service based on what other firms are charging. **Competitive Pricing Methods** • Going rate pricing • Sealed bid pricing • Competitive pricing
18	List any four grounds on the basis of which price discrimination occurs. Illustrate each with the help of an example.
19	What is Penetrating Price policy? Give one example.

20	Identify and explain the type of pricing strategy, which is determined on the basis of customers perception of value rather than the seller’s cost **Method:** Value-based pricing **Explanation:** Based on customer perception, not cost
21	List the conditions favouring ‘Skimming Pricing Policy’.
22	Identify and explain the pricing method which increases a firm’s ability to optimize prices using diagrams that predict ideal prices. **Method:** Break-even pricing **Explanation:** Uses charts/diagrams to find ideal price and output level
23	Name and explain the various factors affecting pricing which are within the control of a firm up to a certain extent.