



## 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**

3. 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

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

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

5. \_\_\_\_\_ 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**

6. 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

7. **Survival** is the basic objective of any business.

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

8. 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**

9. 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

10. **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**

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

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

12. 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**

13. 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

14. Availability of quality goods at competitive price ----- social welfare in society.

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

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

1. Profit maximisation should not be the sole objective of pricing. Why?  
(3 marks) - CBSE 2019
2. Discuss any one method of Pricing. State its advantages and disadvantages.  
(5 marks) - CBSE 2019
3. Explain factors affecting the differential pricing method.  
(2 marks) - CBSE 2020
4. Explain market-related objectives of pricing.  
(3 marks) - CBSE 2020
5. What is Penetrating Price policy? Give one example. (2 marks) - CBSE 2018

6. Differentiate between 'Cost' and 'Price'. (2 marks) - CBSE 2018
7. Explain any four factors affecting price determination. (CBSE 2024)
8. Explain Perceived Value Pricing (CBSE 2024)
9. Explain any two market related objectives of pricing (CBSE 2024)