



INDIAN SCHOOL AL WADI AL KABIR

Class: XII	Department: Commerce
Worksheet No: 2	Topic: PRICE

Select the correct option.

- Price is marketers' assessment of the _____ customers see in the product or service and are willing to pay for a product or service.
a) Value
b) Cost
c) Packaging
d) Logo
- For a given level of production, higher price means a _____ revenue and _____ profitability.
a) Higher, lower
b) Higher, higher
c) Lower, lower
d) Lower, higher
- Buyers who are aware of Firm's _____ might desire to purchase its products because price no longer remains a limiting factor.
a) Location
b) Prestige
c) Advertisement
d) Offers
- Availability of quality goods at competitive price _____ social welfare in society.
a) Neutralizes
b) Minimizes
c) Maximizes
d) Does not effect
- If the demand for a product is inelastic firms fix a price of the product which will be _____
[CBSE SP 2019-20]
A) High
B) Low
C) To cover the cost
D) None of these

6. Which type of pricing policy is suitable where little is known about the price elasticity of the product
- A) Differential pricing
 - B) Penetration pricing
 - C) Perceived value pricing
 - D) Skimming pricing**
7. $BEP = \frac{\text{Total Fixed Cost}}{\text{Selling Price per unit} - \text{_____ cost per unit}}$.
- a) Fixed
 - b) Unit
 - c) Variable**
 - d) Production
8. "In the kirana stores in smaller towns and villages, one will find the Rs 1 or Rs 2 shampoo-sachets instead of a big 200ml or 250ml bottle found in departmental stores in a large city of the same shampoo." Given situation is the example of which internal factor effecting the pricing.
- a) Nature of Goods
 - b) Promotional programs
 - c) Location of the organisation**
 - d) Size of the organisation
9. Management of a firm can make estimates of _____ at different levels of production at different prices and can choose the best combination of production, volume, and price.
- a) cost
 - b) profit**
 - c) Loss
 - d) BEP
10. If prices are too high, the business is lost. If prices are too low, the _____ may be lost.
- a) Firm**
 - b) Market
 - c) Customer
 - d) Market share
11. If the cost of acquiring material and _____ of the product is high, the price of the product in the market will also be higher.
- a) Production cost
 - b) Promotion cost
 - c) Manufacturing cost**
 - d) Repairing cost
12. a person may choose to buy a T.V. from one shop which offers the product at Rs 20,000, or from another shop which offers the same T.V. at Rs 21,500 but gives free-repairs service for five years. – Identify the importance of pricing to consumer being highlighted.

- a) Helps determine the purchasing power and standard of living of the consumer
- b) Enhancement in social welfare
- c) Helps in satisfaction of needs
- d) Helpful in decision-making

Answer the following questions:

1. Define Price and Pricing.
2. Discuss all the four elements of marketing mix.
3. What do you understand by external factors affecting price of a product?
4. What is meant by internal factors affecting price of a product?
5. Discuss the role of top management in price-determination.
6. Discuss the advantages of Demand Based Pricing. [CBSE SP 2019-20]
7. 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. [CBSE SP 2019-20]
8. Explain Break-even Pricing.
9. Differentiate Cost plus Pricing and Markup Pricing.
10. Draw and explain the demand-oriented pricing.
11. Give the advantages and disadvantages of demand base pricing.
12. Distinguish between skimming based pricing and penetration pricing.
13. From the given examples identify and explain the pricing policies.
 - i) When Coca-Cola introduced the 200ml beverage bottles for Rs. 8 only, rival Pepsi followed suit to tackle the competition.
 - ii) The makers of **Nirma** detergent powder used this pricing to enter the market and raise its market share quickly at the cost of **Surf**.
 - iii) Apple's iphone-7 is highly priced in the market.
 - iv) consumers are ready to pay high price for Denim shirts in comparison of local brands.
 - v) Odd Pricing is also a form of this 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.