24 Lecture - MGT301

Important Mcqs

1. **What is the meaning of price in the marketing mix?**
A) The physical features of the product
B) The amount of money customers are willing to pay for the product
C) The promotional activities used to create awareness about the product
D) The distribution channels used to reach the target market
Answer: B

2. **Which of the following factors influence pricing decisions?**
A) Production costs
B) Competitors' pricing strategies
C) Target market
D) All of the above
Answer: D

3. **What is cost-plus pricing?**
A) A pricing strategy based on the perceived value of the product
B) A pricing strategy based on the production costs of the product plus a markup
C) A pricing strategy based on the competition's pricing
D) A pricing strategy based on the target market's income level
Answer: B

4. **Which of the following is an example of a value-based pricing strategy?**
A) Skimming pricing
B) Penetration pricing
C) Premium pricing
D) All of the above
Answer: C

5. **What is penetration pricing?**
A) A pricing strategy that sets a high price for a new product to maximize revenue
B) A pricing strategy that sets a low price for a new product to attract customers and gain market share
C) A pricing strategy that sets the price of the product based on the competition's price
D) A pricing strategy that sets a price for a product based on its perceived value
Answer: B

6. **What is price skimming?**
A) A pricing strategy that sets a low price for a new product to gain market share
B) A pricing strategy that sets a high price for a new product to maximize revenue
C) A pricing strategy that sets the price of the product based on the competition's price
D) A pricing strategy that sets a price for a product based on its perceived value
Answer: B

7. **What is dynamic pricing?**
A) A pricing strategy that sets the same price for all customers
B) A pricing strategy that adjusts the price of the product based on demand and other market factors
C) A pricing strategy that sets a different price for different distribution channels
D) A pricing strategy that sets a price for a product based on its production cost
Answer: B

8. **What is the difference between markup and margin?**
A) Markup is the amount added to the production cost to arrive at the selling price, while margin is the difference between the selling price and the production cost.
B) Markup is the difference between the selling price and the production cost, while margin is the amount added to the production cost to arrive at the selling price.
C) Markup and margin are the same concepts and can be used interchangeably.
D) Markup and margin are not related to pricing.
Answer: A

9. **What is a price floor?**
A) The lowest price that a company can charge for a product
B) The highest price that a company can charge for a product
C) The price that a company should charge to maximize revenue
D) The price that a company should charge to break even
Answer: A

10. **Which of the following is an example of a psychological pricing strategy?**
A) Odd pricing
B) Discount pricing
C) Skimming pricing
D) Value-based pricing
Answer: A