# 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