

27 Lecture - MGT301

Important Subjective

1. **What is price skimming strategy?**

Answer: Price skimming strategy is a pricing approach in which a company sets a high initial price for its new product or service, and gradually lowers the price over time as competition increases.

2. **What is price elasticity of demand?**

Answer: Price elasticity of demand is the measure of the sensitivity of consumers towards the changes in the price of a product or service.

3. **What is dynamic pricing?**

Answer: Dynamic pricing is the pricing approach that adjusts prices of products or services in real-time based on various factors such as demand, supply, competition, and other market conditions.

4. **What is penetration pricing?**

Answer: Penetration pricing is the pricing approach in which a company sets a low initial price for its new product or service to attract customers and gain market share.

5. **What is predatory pricing?**

Answer: Predatory pricing is the pricing approach in which a company sets the price below its production cost to eliminate competition and gain a monopoly in the market.

6. **What is cost-plus pricing?**

Answer: Cost-plus pricing is the pricing approach in which a company sets the price by adding a markup on top of its production costs.

7. **What is value-based pricing?**

Answer: Value-based pricing is the pricing approach that considers the perceived value of the product or service by the customers and sets the price accordingly.

8. **What is price discrimination?**

Answer: Price discrimination is the pricing approach in which a company sets different prices for the same product or service based on the customer's willingness to pay.

9. **What is price bundling?**

Answer: Price bundling is the pricing approach in which a company offers two or more products or services at a discounted price when sold together as a package.

10. **What is the gray market?**

Answer: The gray market refers to the sale of branded products through unauthorized channels, such as parallel imports or unauthorized resellers, often at a lower price than the authorized channels.