

MULTIPLE CHOICE QUESTIONS (CHAPTERS 4-7)

1. Organizations make use of a model when selling their products at a low price, but the extras are expensive.
 - a. Feature pricing
 - b. market pricing
 - c. razor blade pricing
 - d. discount pricing

2. sets the maximum limit on the range of possible prices for a product, while set the lower limit.
 - a. Demand, cost
 - b. Cost, demand
 - c. Added value, perceived value
 - d. Benefits received, demand

3. This is **NOT** a factor affecting price sensitivity.
 - a. product reliability
 - b. buyers' perceptions and preferences
 - c. the proportion of expenditure to income
 - d. buyers' ability to pay

4. When prices go up, the demand for the product can also change dramatically. This is referred to as ...
 - a. price fixing.
 - b. price skimming.
 - c. price elasticity .
 - d. price flexibility

5. refers to the expectations with which the consumers approach a market for a particular product.
 - a. Consumer dissonance
 - b. Demand band
 - c. Consumer perceptions
 - d. Value

6. Eskom operates as this type of market.
- a. perfect competition
 - b. oligopoly
 - c. monoistic
 - d. monopoly
7. works out the amount of sales in rand units that is necessary to cover your costs.
- a. Break-even pricing
 - b. Cost-plus pricing
 - c. Mark-up pricing
 - d. Target-cost pricing
8. is calculated by multiplying the unit price of the product by the quantity of product sold.
- a. Total revenue
 - b. Average revenue
 - c. Marginal revenue
 - d. Gross profit
9. is a new product launch strategy that generates high margins and higher levels of product awareness.
- a. Slow penetration
 - b. Rapid skimming
 - c. Slow skimming
 - d. Rapid penetration
10. This is considered to be a fixed cost.
- a. seasonal staff wages
 - b. product ingredients
 - c. raw materials
 - d. rent

11. Products sourced in another country from non-approved distributors and sold in South Africa at a competitive price are referred to as ... imports.

- a. parallel
- b. straight
- c. black
- d. grey

12. Which **ONE** of the following terms describes “a price reduction given when a used product is part of the payment on a new product”?

- a. merchandise allowances
- b. promotional allowances
- c. scan-back allowances
- d. trade-in allowances

13. Marketers who are happy with their market share and level of profits often adopt ... objectives.

- a. profit-orientated
- b. break-even
- c. sales-oriented
- d. status quo