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
   TB 60 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
   TB 64 b. Cost, demand
   c. Added value, perceived value
   d. Benefits received, demand

3. This is **NOT** a factor affecting price sensitivity.

   a. product reliability
   TB 104 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
   TB 66 b. Demand band
   c. Consumer perceptions
   d. Value

6. Eskom operates as this type of market.

TB 65
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.

TB 73
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.

TB 106
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.

TB 88
a. Slow penetration
b. Rapid skimming
c. Slow skimming
d. Rapid penetration

10. This is considered to be a fixed cost.

TB 108
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
TB 117 b. break-even
c. sales-oriented
d. status quo