1. Which of the following would describe a product with a high price and appeals to status- conscious consumers?
   1. High end product
   2. **Prestige product**
   3. Status product
   4. Generic product
2. Selling a printer with a computer would be an example or which price strategy?
   1. Two-part pricing
   2. Captive pricing
   3. **Price bundling**
   4. Decoy pricing
3. When would a company use target costing?
   1. **Before they design the product**
   2. While they are designing the product
   3. After they design the product
   4. It does not matter during which stage
4. Which of the following describes how vertical integration affects costs and profits?
   1. Increase costs and increase profits
   2. Reduce costs and reduce profits
   3. **Reduce costs and increase profits**
   4. Increase costs and reduce profits
5. What is an advantage of digital currency for consumers?
6. **It diminishes the issue of credit card fraud**
7. It is cheaper
8. You need a bank account
9. It is harder to access
10. What are factors in the price setting?
11. Cost, Price, Supply, Demand
12. **Cost, Demand, Revenue, Pricing Environment**
13. Demand, Pricing Environment, Consumers, Suppliers
14. Cost, Sales, Supply, Price

7. What is freight absorption pricing?

1. **The seller takes on part or all of the costs of the shipping**
2. The buyer takes on all or part of the shipping
3. The seller does not take on any cost of shipping
4. The consumer takes on all the cost of shipping

8. What is step 3 in the elements of price planning?

1. Estimate Demand
2. Set Pricing Objectives
3. Choose a Pricing Environment
4. **Determine Costs**

9. Costs of production that do not change with the number of units produced are?

1. Variable Costs
2. Average Cost
3. **Fixed Cost**
4. Total Cost

10. What is a discount offered to a customer to entice them to pay their bill quickly?

1. **Cash Discounts**
2. Seasonal Discounts
3. Quantity Discounts
4. Trade Discounts

11. Which of the following is NOT a step in the Elements of Price Planning?

A) Set Pricing Objectives

B) Determine Costs

C) Choose a Pricing Strategy

**D) Choose a Product Strategy**

12. Which of the following is NOT part of Pricing Objectives?

A) Profit Objectives

B) Sales or Market Share Objectives

**C) Fixed Costs**

D) Competitive Effect Objectives

13. What does demand refer to?

A) The price of the product

**B) The customers' desire for a product and how much they are willing to pay**

C) The supply of the product

D) The amount of money a company has to produce a product

14. What is step 4 in the elements of price planning?

1. Set Pricing objectives
2. Estimate demand
3. **Examine the pricing environment**
4. Determine costs

15. What is the law of demand?

1. As price goes down, quantity demanded goes down
2. As price goes down, quantity demanded goes up
3. **As price goes up, quantity demanded goes down**
4. As price goes up, quantity demanded goes up

16. What is the last step of the elements of price planning?

1. Choose a pricing strategy
2. Examine the pricing environment
3. **Develop pricing tactics**
4. Determine costs

17. What is the second step in elements of price planning?

1. Determine costs
2. Choose a pricing strategy
3. **Estimate demand**
4. Develop pricing tactics

18. What step in price planning do you perform a break-even analysis?

1. Develop pricing tactics
2. Examine the pricing environment
3. **Determine costs**
4. Set pricing objectives

19. What is the law of demand?

1. As price goes up, quantity demand stays the same
2. As price goes up, quantity demand goes up
3. **As price goes up, quantity demand goes down**
4. As price goes down, quantity demand goes down

20. Anything customers perceive as new or different:

1. Knockoff
2. Adoption
3. **Innovation**
4. Change