



PAMIBIA UNIVERSITY
OF SCIENCE AND TECHNOLOGY

FACULTY OF COMMERCE, HUMAN SCIENCE AND EDUCATION

DEPARTMENT OF MARKETING, LOGISTICS AND SPORT MANAGEMENT

QUALIFICATION : BACHELOR OF MARKETING	
QUALIFICATION CODE: 07MARB	LEVEL: 7
COURSE CODE: PPM712S	COURSE NAME: PRODUCT PRICING MANAGEMENT
SESSION: OCTOEBER 2022	PAPER: THEORY
DURATION: 3 HOURS	MARKS: 100
FIRST OPPORTUNITY EXAMINATION PAPER	
EXAMINER(S)	MR. C. KAZONDOVI MR. D. KANDJIMI
MODERATOR:	DR. E. SIMATAA
INSTRUCTIONS	
<ol style="list-style-type: none">1. Answer ALL the questions.2. Write clearly and neatly.3. Number the answers clearly.4. Use the tables provided on page [7] to answer Questions 5 & 6: Detach and insert into your answer booklet5. Write as legible as possible, and as precise as possible6. Read each question carefully7. Use a non-programmable calculator (STRICTLY NO USE OF CELLPHONE/MOBILE CALCULATOR)8. Round of your answers to two (2) Decimal places.	

THIS QUESTION PAPER CONSISTS OF 7 PAGES (Including this front page)

- 4.3 Alice Rone sells watches. Her competitor sells a new line of watches for N\$30 each. Alice needs a 30% mark-up on cost to make her desired profit, and she must meet price competition. What cost can Alice afford to bring these watches into the store? (2marks)
- 4.4 Neal Wall bought a computer from A.C. Suppliers for N\$1,200. Neal plans to resell the computer for N\$1,800. What is Neal Wall's dollar mark-up on selling price? (Round to the nearest tenth percent.) (2 marks)
- 4.5 Fred Miguel bought rings for his jewellery shop that cost N\$90 each. Fred must mark up each ring 40% on selling price. What is the selling price of each ring? What is the dollar mark-up? (2 marks)
- 4.6 Bra Jakes sells Calculators. His competitor sells a new line of calculators for N\$30 each. Bra Jakes needs a 30% mark-up on selling price to make his desired profit, and he must meet price competition. What cost can Bra Jakes afford to bring these calculators into the store? What is the dollar mark-up? (2 marks)
- 4.7 Mabura sells staplers for N\$14 that cost N\$8. What is Mabura's percent mark-up at cost? (Round to the nearest tenth percent.) What is Mabura's percent mark-up on selling price? (Round to the nearest hundredth percent.) (2 marks)
- 4.8 Jane bought an office desk for her room for N\$400 and marked up 30% on selling price to sell the desk on because she got another one. Jane marked the desk down 5% for one week. After a week, Jane marked the desk up 2%. The last week she marked it down 8%. What is the final selling price? (2 marks)
- 4.9 Dogg Opapos owns a small fruit and vegetable shop. Dogg has 40 dozen tomatoes. Joe expects a 20% spoilage rate. The tomatoes cost N\$1.10 per dozen. Dogg wants a 70% mark-up on cost. What should Dogg charge for each dozen tomatoes? (Round to the nearest cent.) (2 marks)
- 4.10 Jane Corporation produces Sweatshirts for a selling price of N\$19.25. Their variable cost is N\$13.10. Assuming a fixed cost of N\$6,150 what is Jane Corporation's break-even point? (2 marks)

Question 5

[15 marks]

True or False Questions

Use the table provided on [page 6] to answer these questions. Detach and insert it into your answer booklet. 1.5 mark will be awarded for each correct answer.

- 5.1 Under oligopolistic competition the market consists of a few sellers who are highly sensitive to each other's pricing and market strategies
- 5.2 When initiating price changes the company must anticipate possible reactions from both buyers and competitors.
- 5.3 Monopoly or lack of regulation means one can always set prices at will.
- 5.4 Price discrimination is the practice of charging different mark-ups for the same product.
- 5.5 In setting the price of a product by its perceived value, the company decides on the value of the product.

- 6.5 When consumers pay N\$100-00 for a bottle of perfume that only contains N\$3-00 worth of ingredients, they are participating in:
- upscale pricing.
 - discriminatory pricing.
 - psychological pricing.
 - promotional pricing.
 - premium pricing
- 6.6. Prices that buyers carry in their minds and refer to when they look at a given product are called:
- segmented prices.
 - reference prices.
 - relationship prices.
 - basing-point prices.
 - penetration pricing
- 6.7. With respect to setting pricing amounts, the belief that individual digits in a product's price have symbolic and visual qualities that should be considered in setting price is linked to:
- odd pricing.
 - promotional pricing.
 - symbolic pricing.
 - psychographic pricing.
 - psychological pricing.
- 6.8. If a company pursues _____, it often temporarily prices products below the list price, and sometimes even below cost, to increase short-run sales.
- psychological pricing
 - promotional pricing
 - symbolic pricing
 - psychographic pricing
 - limit pricing
- 6.9. The type of promotional pricing that uses a few products with very low prices to attract customers into the store in the hope that they will then buy regularly priced items is called:
- special-event pricing.
 - cash rebates.
 - loss leaders.
 - low-value pricing.
 - value pricing
- 6.10. A major factor in price increases is most likely:
- promotional expenditures.
 - government regulations.
 - competitors.
 - under demand.
 - cost inflation

SECTION A: ANSWER SHEET

Question 5

[Total: 10 X 1.5 = 15 Marks]

	<u>True</u>	<u>False</u>
5.1		
5.2		
5.3		
5.4		
5.5		
5.6		
5.7		
5.8		
5.9		
5.10		

Question 6

[Total: 10 X 1.5 = 15 Marks]

	<u>A</u>	<u>B</u>	<u>C</u>	<u>D</u>	<u>E</u>
6.1					
6.2					
6.3					
6.4					
6.5					
6.6					
6.7					
6.8					
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6.11					
6.12					
6.13					
6.14					
6.15					

STUDENT NAME & STUDENT NO: _____