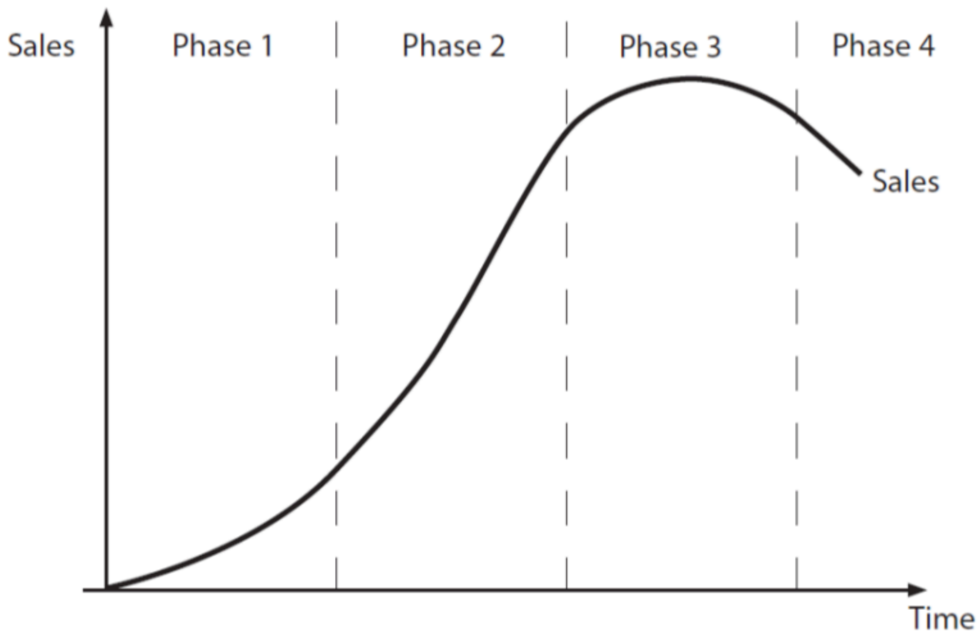
Pearson Edexcel

GCSE (9-1)

Theme 2.2.2 Retrieval Resource: Price

Retrieval Quiz - 2.2.2: Price

1. Identify **two** phases in the product life cycle where low prices are **most** likely to be charged.



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2…………………………………………………………………………………………….

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2. Give **two** factors that could influence a business in their choice of a pricing strategy.

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3. Give **two** examples of pricing strategies.

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4. Give **one** reason why new technology may cause a business to reduce its prices.

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5. Give **one** benefit to a business of lowering its prices.

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Answers:

1. Introduction and Decline

2.

- Competition
- Market segments
- Product life cycle
- Technology

3.

- Competitive pricing
- Cost-plus pricing
- Loss-leadership pricing
- Penetration pricing
- Premium pricing
- Price skimming
- Psychological pricing

4.

- Existing products may become outdated
- Technology, such as the internet, may make the market more competitive
- The costs of the business may fall
- The production process may become more efficient

5.

- Demand/sales may rise
- Makes it less likely that new businesses will be attracted to the market
- Provides a competitive advantage
- Under-cuts competitors