Registration No :

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IMBA
16IMN802D

8th Semester Regular / Back Examination: 2021-22
PRICING AND REVENUE MANAGEMENT
BRANCH(S) : IMBA
Time : 3 Hour
Max Marks : 100
Q.Code : J061

Answer Question No.1 (Part-1) which is compulsory, any eight from Part-II and any two from Part-III.

The figures in the right hand margin indicate marks.

Part-I

Q1 Answer the following questions : **(2×10)**

a) What do you mean by Cartel and its probable impact on market ?
b) How the value added pricing is charged? Give an example
c) Write briefly about Skimming price?
d) Why the products are bundled and priced together?
e) Why psychological pricing is fixed by some company?
f) Why would a company consider cutting its price?
g) Which type of firm can sell all its output without lowering the price?
h) What do you mean by perfect competition?
i) How economies of scale are important in pricing?
j) How the bid price is determined?

Part-II

Q2 Only Focused-Short Answer Type Questions- (Answer Any Eight out of Twelve) **(6×8)**

a) It is always useful for a seller to lower the price in order to increase sales volume. Justify this statement.
b) A monopoly firm would either earn normal profit, or super normal profit, but would not incur loss in a long run. Analyze the statement aligning your views.
c) Formulate Marginal Revenue and justify the following statement under perfect competition.
AR = MR = P
d) Price elasticity of demand is an indicator for sensitivity of demand to changes in price. Explain the statement with the help of appropriate graph.
e) Given, variable cost per unit Rs.10, fixed cost = Rs.3,00,000/-, Expected unit sales = 50,000/-.
The manufacturer wants to earn 20% mark up on sales. Calculate the Mark up price.
f) The total cost function (monthly) of a perfectly competitive firm is given as : $TC = 7500 + 150\,Q + 3Q^2$. Determine the price of the product, if the industry is in long run equilibrium.
g) Explain any two price adjustment strategies. Companies usually adopt to reward their customers.

h) Explain dynamic pricing concept with a suitable example.

i) Explain the concept of using simulation method for price-revenue trade off in dynamic pricing model.

j) Why would a marketer of innovative high-tech products choose Market-Skimming Pricing rather than market Penetration Pricing when launching a new product?

k) Explain the concept of experience curve. How experience of production over a period of time helps the Firm financially?

l) Why would a perfectly competitive firm earn only normal profit in the long run? Explain with examples.

Part-III

Only Long Answer Type Questions (Answer Any Two out of Four)

Q3 Describe the '*Price and Capacity (output)*' decision making process in oligopoly and monopolistic market. **(16)**

Q4 Discuss the steps involved in setting the price and explain the factors to consider when setting the prices. **(16)**

Q5 Discuss the Pricing and Revenue Management Practices applied to Airlines and compare the effectiveness of dynamic pricing method over fixed pricing method in aviation sector. **(16)**

Q6 Discuss how Break even approach help in setting the price. You can draw the Break even chart and discuss. **(16)**