



NATIONAL OPEN UNIVERSITY OF NIGERIA
Plot 91, Cadastral Zone, Nnamdi Azikiwe Express Way, Jabi - Abuja
FACULTY OF MANAGEMENT SCIENCES
2020_1 EXAMINATION

COURSE CODE: MKT829

COURSE TITLE: Pricing Policies

CREDIT UNIT: 3

INSTRUCTION: 1. Indicate your Matriculation Number clearly

- 2. Attempt question one (1) and any other three (3) questions; four questions in all**
- 3. Question one (1) is compulsory and carries 25 marks, while the other questions carry 15 marks each.**
- 4. Present all your points in a coherent and orderly Manner**

TIME ALLOWED: 2½ Hours

1. (a) What do you understand by the word “pricing policies and practices” of a firm? **(5marks)**
- (b) Psychological factors related to pricing, concern primarily how consumers will perceive various prices or price changes. List and explain five questions marketing managers should be concerned with in handling this issue. **(2marks on each explanation=10marks).**
- (c) List and explain five demographic factors considered to be important for pricing decisions **(2marks on each explanation =10marks).**

(Total marks 25)

2. (a) Quality is an important issue in relationship to pricing, Discuss. **(6marks).**
- (b) Why do we regard price as a strategic issue? **(5marks)** and what are the two purposes it serves as a guideline to the positioning of a product? **(2marks on each point=4marks).**

(Total marks 15)

3. List and explain briefly five discounts that could be found in business activities.

(Listing gives 1mark each, total=5marks)

(Explanation - 2marks each =10)

(Total marks 15)

4. (a) Clearly differentiate product from service. **(5marks)**

- (b) As a rule, corporations usually have predetermined goals that a new product must meet for a success. Mention and explain five of these goals. **(2marks on each point=10marks).**

(Total marks 15)

5.(a) What do you understand by the word channels of distribution? **(3marks).**

- (b) Mention and explain four types of intermediaries associated with direct channel of distribution. **(3marks on each point=12).**

(Total marks =15)

6.(a)What is price in marketing (3marks).

- (b) Why is it imperative for management to decide on its pricing objective, before determining the price itself? **(2marks on each point=12).**

(Total marks 3+12=15)