**Name \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

**Marketing - Ch. 5 Book Questions, pg. 126 – 128**

**Part 1 – Vocabulary Builder**

Instructions: Chose the term that best fits the definition. Write the letter of the answer in the space provided below. Some terms may **not** be used.

|  |  |  |
| --- | --- | --- |
| **\_\_\_\_\_** 1.  **\_\_\_\_\_** 2.  **\_\_\_\_\_** 3.  **\_\_\_\_\_** 4.  **\_\_\_\_\_** 5.  **\_\_\_\_\_** 6.  **\_\_\_\_\_** 7.  **\_\_\_\_\_** 8.  **\_\_\_\_\_** 9. | The actual cost of a product or services paid by the customer.  Establishing and communicating the value of products and services to prospective customers.  The price consumers are charged for a product or service.  An amount added to the cost of a product to determine the selling price.  Budgeting for marketing activities, obtaining the necessary financing and providing financial assistance to customers to assist them with purchasing the organization’s products and services.  Credit extended by a retail business to the final consumer.  Financing offered by one business to another business.  Rivalry among businesses where the primary difference is the price offered.  Emphasizes factors other than price as the important reason for customers to buy. | a. consumer credit  b. financing  c. markup  d. non-price competition  e. price  f. price competition  g. pricing  h. selling price  i. trade credit |

**Part 2 – Review Concepts**

Instructions: Read each question. Answer each question completely in the spaces provided.

10. What is the difference between the customer’s view of price and a business’s view of price?

11. How does the economic concept of supply and demand affect the price of a product?

12. How does providing credit make a product more affordable for consumers?

13. How does the financing function of marketing relate to the concept of credit?

14. Under what circumstances might a consumer pay more than the lowest possible price for a product?

15. How can a company determine ways to add value to a product for consumers?

16. Why is the price of a product important to both consumers and businesses?

17. Why should a company be careful of changing prices quickly?

18. What are some examples of the uses of trade credit?

19. Why would a business want to develop its own credit plan rather than use a plan operated by a bank or

another finance company?

20. What can a company do to move from price competition to non-price competition?

21. How can an advertisement increase the value of a product?