

Name:

Date:

Class:

Lesson 9.2

Practice Your Understanding

1. You have learned that customers may be willing to pay more if they believe in the value of a good or service. Imagine a scenario in which you were the owner of a barber shop or hair salon. Determine three ways you could add perceived value to your service so customers will be more willing to pay a higher price. (9.2-1)

Answer:

2. You own a fashion boutique that sells trendy styles for teens. As cold weather approaches, identify factors that may impact the prices you are charging for your remaining spring/summer styles still in stock. (9.2-2)

Answer:

3. Calculate the return on investment (ROI) if a business earns \$250,000 in net profit from a product's sales and initially invested \$100,000 to produce and sell the product. (9.2-3)

Answer:

4. You are manufacturing hand-crafted furniture and have decided cost-based pricing is the best pricing strategy to use because each piece you create is unique. If a particular bookshelf costs \$250 to produce and you must include a dollar markup of \$165 on each piece you create to remain profitable, determine the selling price of the bookshelf. (9.2-4)

Answer:

5. A customer receives an invoice for \$575, but is offered a cash discount of 2/10, net 30. Calculate the amount the customer will save if they pay the invoice on day seven. (9.2-5)

Answer: