NATIONAL OPEN UNIVERSITY OF NIGERIA
91, Cadastral Zone, Nnamdi Azikiwe Express Way, Jabi-Abuja
FACULTY OF MANAGEMENT SCIENCES
2022_2 EXAMINATION

COURSE CODE: MKT829

COURSE TITLE: PRICING POLICY

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

Question 1

(a) What are the theoretical underpinnings of Price Skimming Strategy? In what ways is this strategy more beneficial than other pricing strategies? **13marks**

(b) What are the theoretical underpinnings of Price Penetration Strategy? Under what conditions is this strategy more desirable? **12marks**

Question 2

Some pricing strategies raise legal and regulatory concerns and are thus considered illegal in most countries. Identify those strategies, highlighting their respective points of illegality. **15marks**

Question 3

(a) Comparatively identify and examine the demographic and psychological factors that are of key concerns in pricing decision making. **7marks**

(b) Discuss the strategic uses of pricing in a firm. **8marks**

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Question 4

(a) What specific roles does Product Life Cycle consideration play in pricing decisions? Please clearly identify and explain each role.

7.5marks

(b) Identify and explain the at least four major environmental issues commonly considered in pricing decisions.

7.5marks

Question 5

Franchising is generally adjudged to be a good business, specifically on the ground that the practice is win-win to both the franchiser and the franchisee. How valid do you consider this statement?

15marks