1. The best pricing method is (circle one)
   a. Formula based
   b. Cheap
   c. Market based
   d. Hidden
   e. Multiple level

2. Production costs allocated to each contract should NOT include (circle four)
   a. Instructor’s pay
   b. Staff time
   c. Phone or other communication costs
   d. A portion of administration costs
   e. Any other indirect costs

3. Production costs SHOULD include (circle three)
   a. Instructor fees
   b. Staff benefits
   c. Facility costs and AV rental fees
   d. Pizza for any staff that worked overtime
   e. Any other production costs you had to pay to make the class happen

4. Price breaks are the points at which a client may feel reluctant to buy.
   a. True
   b. False

5. $9,500 is a price break.
   a. True
   b. False
6. Strategies related to competitive pricing include (circle three)
   a. Cut production costs
   b. Plan to charge more because the value is there
   c. Walk away and do not submit price
   d. Price test on social media
   e. Price randomly to keep interest high

7. Overall, your total projected income should be at least four times your total contract costs.
   a. True
   b. False

8. It’s a good strategy to offer contracts at different prices in the same subject areas — but the content and format should also vary.
   a. True
   b. False

9. If your production costs are $5,000 and your desired production percentage 50 percent, what is your formula price? (circle one)
   a. $5,000
   b. $7,500
   c. $10,000
   d. $12,500
   e. $15,000

10. Using the answer to Question 9, what are your two price options? (circle one)
    a. $4,950 and $6,500
    b. $7,500 and $9,500
    c. $9,500 and $11,500
    d. $9,500 and $12,500
    e. $14,500 and $15,500
**Answers**

Question 1: c
Question 2: b, c, d & e
Question 3: a, c & e
Question 4: a
Question 5: b
Question 6: a, b & c
Question 7: b
Question 8: a
Question 9: c
Question 10: d