



POWERED BY

California Community Colleges

Unit 6 – Quiz

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