

## Entrepreneurship Building a Business

### Chapter 11 The Price Strategy

#### Section 11.2 Calculating and Revising Prices

##### SECTION 11.2 After You Read Answer Key

##### Self-Check

1. Fixed cost/unit selling price - variable costs = break-even point (units).
2. (1) Price x Discount Percentage = Discount Dollars. (2) Price – Discount Dollars = Discounted Price.
3. Change your credit policies; introduce trade, quantity, or cash discounts; and offer leasing or outside financing for customers.

##### Think

4. Considerations for updating price strategy include a review of basic price strategies, pricing policies, shifts in product life cycle, and pricing techniques. Another consideration is reviewing the overall effectiveness of the price strategy. Adjustments to price strategy should reflect any changes in objectives. These changes may lead to changes in the marketing plan.

**Mathematics 5** After four years he will see a return on his investment.