

Pricing Problems

Instructions: Place your answer to each question in the box to the right of the question. Be sure to show your work in order to earn partial credit.

Question	Answer
1. A nonprofit organization plans to raise money by producing and selling a calendar of community events. The organization will produce 2,000 calendars which it plans to sell for \$12 each. The cost of producing and marketing the calendars will be \$3.75 each. The organization will have to sell _____ calendars before it begins to make a profit. (3 pts.)	
2. The manufacturers of Sparkle Detergent sell 15 percent of all the laundry detergent sold in the greater Kansas City area. Therefore, 15 percent is the company's market _____. (2 pts.)	
3. Wages, rent and loan interest are examples of _____. (1 pt.)	
4. Hilda and Eugene have a home-based business making jellies and jam. They sell their fruit condiments for \$6 a jar. Their manufacturing cost is \$3.25 a jar; their distribution and marketing costs are an additional \$1.15 per jar. Their rate of return on investment is _____. (3 pts.)	
5. If an item cost \$10 and has a markup of \$4, the markup percentage based on retail would be _____. (2 pts.)	
6. If the cost of a small television is \$134.99 and the retail markup is 25 percent, the retail price would be _____. (2 pts.)	
7. A board game manufacturer plans to make 100,000 Jenga games that will be sold at \$15 each to retailers. The cost of making and marketing the dolls is \$6.75 per unit. Determine the break-even point (3 pts.):	
8. If an employee who is granted a 15 percent employee discount purchases a 17-piece tool set that retails for \$59.99, she would pay _____. (2 pts.)	
9. Your school's DECA chapter is doing a fundraiser that involves selling Lance Armstrong-like bracelets that are in your school colors that have the mascot written on them. The cost to manufacture and market them is \$1 and the chapter is selling them for \$5 each. What is the profit for each bracelet and how much sales revenue would be generated by selling 285 of them? (2 pts.)	
10. The total market for denim jeans marketed to people aged 14-18 years old is \$55.6 billion. The percentage of the market share is noted for each of the designers listed below. Determine the dollar amount of each company's share. (1 pt. each)	
Diesel – 15%	\$ _____
Lucky – 7%	\$ _____
Seven – 3%	\$ _____
Gap – 17%	\$ _____
Express – 16%	\$ _____