**The Price Is Right—Answer Guide**

 1. Pricing is the determination of an exchange price at which the seller **and the buyer** perceive optimum value for a good or service.

 2. Buyers and sellers must feel that they are receiving ~~minimal~~ **(optimum)** value from the
product.

 3. Prices can ~~never~~ be set too low.

 4. Customers associate high prices with ~~low~~  **(high)** quality.

 5. Businesses should ~~not~~ be willing to adjust their prices.

 6. To attract customers during bad economic times, businesses may need to ~~increase~~ **(decrease)** their prices.

 7. When setting prices, marketers need only consider the product itself.

 **When setting prices, marketers need to consider the product itself and its related services.**

 8. ~~Few~~ **(Many)** factors affect prices.

 9. In ~~small~~ **(large)** businesses, departments are usually responsible for setting prices.

 10. The elements of the marketing mix are ~~independent~~ **(interdependent)**.

 11. ~~Place~~ **(Product)** decisions involve deciding what goods, services, or ideas to produce or sell to satisfy customers’ needs and wants.

 12. The ~~place~~ **(promotion)** element of the marketing mix involves the various types of communications that marketers use to inform, persuade, or remind customers of their products.

 13. Pricing affects promotion decisions through the choice of media, the amount of money spent on promotion, and the time allocated to promotion. **(correct)**

 14. The ~~product~~ **(place)** element of the marketing mix involves shipping, handling, and storing items and determining when and where they will be available.

 15. Pricing objectives may relate to image or prestige. **(correct)**