Unit 5

**Activity 5-2 Price**

**Directions:** Complete the following exercise to determine the price of your product or service.

1. Select one product or service you market for your company. First, determine the cost to the company. Next, determine the markup needed to make the profit your company wants. Then use the formula from Chapter 19, Section 2 to set the base price. Show your math.

Product or service

<<Place Answer Here>>

|  |  |  |
| --- | --- | --- |
| Cost | Markup | Formula |

<<Show Your Math Here>>

Base Price <<Place Answer Here>>

2. Research a similar product or service the competition offers.

Product or service name:

 <<Place Answer Here>>

Competition name:

<<Place Answer Here>>

Price:

<<Place Answer Here>>

3. Describe your pricing strategy and the technique you will use to set the final price for your product or service.

<<Place Answer Here>>

4. What will be the final price?

<<Place Answer Here>>

5. Ask your instructor where to save your documents. This could be on the school’s network or a flash drive of your own. Name your Word document *FirstnameLastname*\_UnitActivity5-2.docx (i.e., JohnSmith\_UnitActivity5-2.docx).