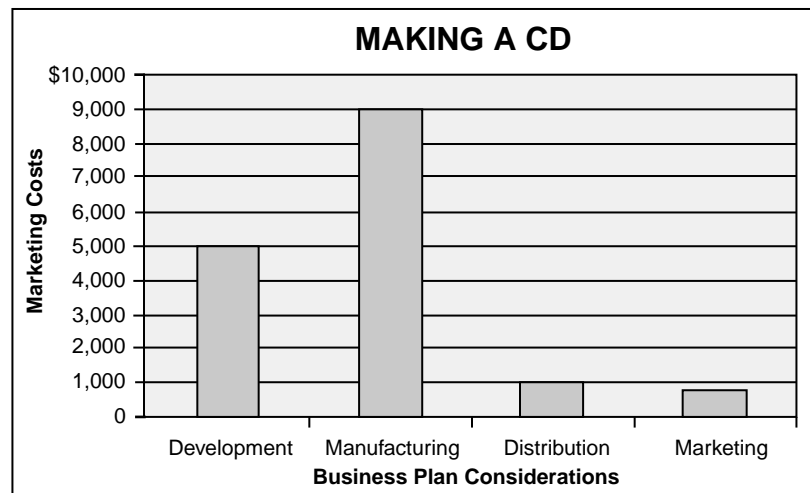


CHAPTER 13 Marketing in Today's World

Analytical Skills 1: Pricing

DIRECTIONS: Deborah has just recorded a CD, which she intends to sell on her own. She needs to figure out how to price the disc. The graph below lists her expenses. Study the information and answer the questions below. (Note: Deborah's marketing costs came to \$900.)



1. What is Deborah's break-even point?

2. By buying in bulk, she managed to get 6,000 CDs manufactured for \$9,000. What was the cost per unit for manufacturing?

3. What is the cost per unit including all expenses?

4. Deborah wants to break even after selling 1,200 CDs. What will she have to charge to accomplish this?

5. How many CDs will she need to sell at this price to earn a 20 percent profit?

6. What will her profit be if she sells all of her CDs at this price?
