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Total Number of Pages: 02

Course: MBA
Sub Code: 18MBA302D

3rd Semester Regular/Back Examination: 2024-2025
SUBJECT: Pricing and Revenue Management
BRANCH: MBA, FM & HRM, BA, FM, GM, HRM, IB, MM
Time: 3 Hours
Max Marks: 100
Q.Code: R186

Answer Question No.1 (Part-1) which is compulsory, any eight from Part-II and any two from Part-III.

The figures in the right-hand margin indicate marks.

Part-I

- Q1** Answer the following questions: (2 x 10)
- a) What is mark-up pricing and state its advantage to the company?
 - b) What is the difference between revenue and price?
 - c) How do you see price-demand relationship for any product?
 - d) Write two methods by which a company can increase its revenue?
 - e) Why discounts and allowances are preferred by the seller instead of reducing the price?
 - f) Write briefly about price skimming.
 - g) What do you mean by dynamic pricing strategy? Give an example.
 - h) Why companies bundle their products and price them together?
 - i) What do you mean by 'economies of scale'?
 - j) Name any one software which is being used in revenue management in hotel industries.

Part-II

- Q2** Only Focused-Short Answer Type Questions- (Answer Any Eight out of Twelve) (6 × 8)
- a) Explain the relationship among price, average revenue, and marginal revenue in a situation with perfectly elastic demand.
 - b) Scale of operation plays a pivotal role in between revenue and price. Justify this statement.
 - c) A perfectly competitive firm earn only normal profits in the long run. Explain the cause with example.
 - d) Explain the measures to be taken in managing revenues in case of multi-product and multi-source pricing.
 - e) Given, variable cost of a product per unit = Rs. 100, Fixed cost = Rs. 4,00,000, expected unit sales = 4000. Compute the sales price with mark-up profit of 20 %.
 - f) Explain briefly about two alternative strategies of a monopoly seller.

- g) Explain the mechanism for charging variable pricing in service sector taking example of booking rooms in hotels having demand throughout the year.
- h) Explain the relationship between bid price and the opportunity cost.
- i) Explain the concept of experience curve. How experience of production over a period of time helps the firm financially?
- j) Explain any two price adjustment strategies preferred by sellers to reward the consumers.
- k) Scale of operation plays a pivotal role in between revenue and price. Justify.
- l) Explain various objectives of revenue management.

Part-III

Only Long Answer Type Questions (Answer Any Two out of Four)

- Q3** Revenue management can be controlled through three ways like; capacity management, discount allocation, and duration control. Analyse this statement. **(16)**
- Q4** Analyse various steps of pricing process giving suitable recommendation to increase profit through more revenue generation. **(16)**
- Q5** Draw and evaluate the Break-even point concept and justify its importance in guiding sellers to generate profit as well as revenue in service sector. **(16)**
- Q6** Describe the revenue management practices by Airlines and compare the effectiveness of dynamic pricing method over fixed pricing method in aviation sector. **(16)**