# Lecture 7 Questions

## Question One

Market based pricing - please complete the following sentences.

For many goods and services where there are a large number of buyers and sellers:

As the price decreases, then customer demand…increase

As price decreases, the amount supplied to the market…decrease

For a supplier, if price is set too high the product will be…increase

For a supplier, if price is set too low there will be… decrease

And demand and price will… increase

## Question Two

Explain why it is possible for a company like Jack Wills or Hollister to charge more for a T shirt or pair of jeans than a company such as H&M.

## Question Three

Consider a low-cost airline such as Ryanair, think of its competitors and costs and then consider the pricing structure that allows Ryanair to be profitable.

## Question Four

Using examples, explain why a company may offer a product to customers at a price below that currently in the market.