

### THINK CRITICALLY

Handwrite your responses in the space below; 2 sentences each.

1. How are prices set when using the cost-plus pricing strategy?
2. How is a market-based pricing strategy different from a value-based pricing strategy?
3. Why might shoppers want to set up an account on a retail Web site they use often?
4. What is economizing? How does using this buying strategy affect demand and prices in a market economy?
5. What is optimizing? How does using this buying strategy affect demand and prices in a market economy?
6. How can using effective time management strategies lead to better buying decisions?

*(over for more)*

### IN DEPTH: Prices and Spending

List three items your family has purchased in the last year — something with a high price (\$100 or more), something that cost between \$5 and \$50, and something with a low price (under \$5). Answer the questions that follow for each item.

Three Items

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1. How do you think the price was set for each product—using cost-plus, value-based, or market-based pricing? Why?
2. Were these items purchased as a result of economizing or optimizing?
3. If you had to make these purchase decisions again, would you choose the same items? Why or why not?