

## Fill In The Blank

advertising  
cost-plus pricing  
cost-push inflation  
deflation  
demand-pull inflation  
disinflation

economizing  
hyperinflation  
inflation  
market-based pricing  
optimizing  
productivity

real-cost inflation  
reflation  
target audience  
time value of money  
value-based pricing

1. The spending habit called \_\_\_\_\_ is spending money only when you have to and then spending as little as possible.
2. \_\_\_\_\_ occurs when businesses raise prices due to rising costs for producing products.
3. \_\_\_\_\_ occurs when prices are high, drop, and then rise to their previous high level.
4. \_\_\_\_\_ is a method of informing consumers and promoting and selling products.
5. The \_\_\_\_\_ concept says that money received today is worth more than money received in the future.
6. Setting a price based on how much the consumer is willing to pay is called \_\_\_\_\_.
7. The lowering of overall price levels is called \_\_\_\_\_.
8. \_\_\_\_\_ is caused by scarce resources or an increase in the cost of getting those resources.
9. A consumer spending pattern called \_\_\_\_\_ occurs when people spread money to cover as many needs as possible or to get as much value as possible.
10. \_\_\_\_\_ is an overall increase in general price levels.
11. A specific group of people called a(n) \_\_\_\_\_ is the focus of a specific advertising strategy.
12. A type of inflation called \_\_\_\_\_ occurs when prices are rising, but at a slow rate.
13. A pricing strategy called \_\_\_\_\_ sets the price for a product based on existing prices in the marketplace.
14. Rapidly rising, out-of-control prices are called \_\_\_\_\_.
15. \_\_\_\_\_ is setting a price based on the cost to produce and deliver a product plus a profit margin.

16. A type of inflation that occurs when consumers want to buy more goods and services than producers supply is called \_\_\_\_\_.
17. \_\_\_\_\_ is a measure of the efficiency with which goods and services are made.
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### EXCEL PROBLEMS

Use Excel to solve the problems below and email the spreadsheet as an attachment.  
**MAKE SURE TO USE FORMULAS IN YOUR WORK!**  
(don't just type the answers)

### Unit Prices

Comparing unit prices can help a consumer determine which size or package of a product is the best value. To find the unit price of a product, divide the total price by the number of units. Example: A product contains four items and is priced at \$1.00. The unit price is 25 cents.

1. Find the unit prices for the following items. Round to three decimal places.

Product A \$3.96 for 24 ounces  
Product B \$2.99 for a 16-ounce box  
Product C \$3.69 for 12 cookies  
Product D \$4.99 for 6 muffins  
Product E \$12.99 for a pack of 6  
Product F \$25.00 for a case of 36

2. Determine which of these items has the lowest per-unit cost and, thus, is the best buy.

Product A \$1.99 for a 6-ounce bag or \$2.49 for an 8-ounce bag  
Product B \$24.00 for a box of 10 or \$36.00 for a box of 15  
Product C \$10.00 for a pack of 3 or \$15.00 for a pack of 5

3. The price of gasoline rose from \$2.50 on March 1 to \$2.89 on March 31. By what percent did the price increase?
4. The price of an air conditioner fell from \$250.00 on August 1 to \$200.00 on October 1. By what percent did the price decrease?
5. You plan to loan \$1,000 to a neighbor for 6 months. You realize that the value of a dollar may be less 6 months from now than it is today. You want to charge enough interest so that the money you receive back from your neighbor will have the same purchasing power as the money you loan. The inflation rate for the next 6 months is predicted to be 5 percent. How much interest (in dollars) should you charge on the loan to maintain the purchasing power of your money?