**AgEc 3rd year Agricultural marketing course**

**Individual Assignment**

1. Two farm products U and V are considered and if the price of V changes from 13 br to 15 br. per unit, then quantity demanded of commodity U changes from 5 to 10 units:

A/ then the cross price elasticity of the commodities will be what?

B/ What is the relationship between U and V? (Substitutes, Complement)

1. What is the difference between cost-plus method and market oriented methods of pricing strategies
2. Compare and contrast Skimming strategy and Penetration strategy.
3. What is price ceiling and price floor? Discuss why (for what purpose) and when do government use these price fixation?
4. How ‘time period’ affects price elasticity of demand?

**Note: Date of submission – may 15/2011E.C**

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**Group Assignment**

1. Given the following information about a business as follows:

Total fixed cost Br 2000, Total cost Br 6000 and selling price per unit is Br 25.

A/ Compute the number of units to break-even.

B/ What do you say about the profitability of the business above and below the break- even?

1. A trader incurs total marketing cost of Br 60 per unit of output and selling price of Br 64 per unit of output. Then compute the mark-up and Mark-on.
2. How do you explain the relationship between price elasticity of demand and total revenue?
3. If the price of a commodity rises from Br 10 to Br 13per unit and quantity demanded changes from 250 units to 300 units

A/Compute price elasticity of supply

B/ Interpret the result.

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