**Select** a new, realistic good or service for an existing industry, preferably an industry you current work in or one in which you are interested in working.

**Develop**a 1,400-wordevaluation of pricing strategies available producers of your selected product. This will include statements about the market structure and the elasticity of demand for the product, based on text book principles and real world products under development.

* Identify the market structure of the industry (monopoly, oligopoly, competitive monopoly).
* Determine elasticity of demand for various quality ranges of the product based on textbook theory and judgments about the degree of luxury vs. necessity represented by various brands (e.g. a luxury car vs an economy car).
* Determine how pricing relates to elasticity of demand for competing models.
* Explain how changes in the quantity supplied as a result of pricing decisions might affect the company's marginal cost, marginal revenue, and market share as production volume rises.  What reaction might be expected by other producers if one producer changes its pricing strategy?
* Determine strategies that a company might use to develop product differentiation and market segmentation.  What alternative non-pricing strategies are available? What alternative non-pricing strategies can be used to increase barriers to entry?
* Discuss how producers might alter the mix of fixed and variable costs to support their pricing strategy.

**Format** the assignment consistent with APA guidelines.

**NOTE:** Heavy emphasis on quantitative analysis -- apply your data analysis skills.

**Individual Assignment: Market Structure and Pricing Power**

**Purpose of Assignment**

The Week 3 assignment provides the students the opportunity to examine market structure, competition and pricing decisions for real world products evolving under rapidly changing environments.

**Grading Guide**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| ***Content*** | *Met* | *Partially Met* | *Not Met* | Comments: |
| The student based their assignment on a new, realistic good or service from an industry they are working in or in which they are interested in working. |  |  |  |   |
| The student identified the market structure of the industry (monopoly, oligopoly, competitive monopoly).  |  |  |  |  |
| The student determined the elasticity of demand for various quality ranges of the product based on textbook theory and judgments about the degree of luxury vs. necessity represented by various brands (e.g. a luxury car vs an economy car). |  |  |  |  |
| The student determined how pricing relates to elasticity of demand for competing models. |  |  |  |  |
| The student explained how changes in the quantity suppled as a result of pricing decisions might affect the selected product or service’s marginal cost, marginal revenue, and market share as production volume rises. The student also discussed the possible reactions of other producers if one producer changes its pricing strategy.  |  |  |  |  |
| The student determined strategies that a company might use to develop product differentiation and market segmentation. The students also discuss the possible alternative non-pricing strategies that might be available and the possible alternative non-pricing strategies to increase barriers to entry. |  |  |  |  |
| The student discussed how producers might alter the mix of fixed and variable costs to support their pricing strategy. |  |  |  |  |
| The assignment is 1,400 words in length. |  |  |  |  |
|  |  | ***Total Available*** | ***Total Earned*** |  |
|  |  | 7 | #/7 |  |
| ***Writing Guidelines*** | *Met* | *Partially Met* | *Not Met* | Comments: |
| The paper — including tables and graphs, headings, a title page, and a reference page — is consistent with APA formatting guidelines and meets course-level requirements. |  |  |  |  |
| The paper includes properly cited intellectual property using APA style in-text citations and a reference page. |  |  |  |  |
| The paper includes paragraph and sentence transitions that are logical and maintain flow throughout the paper. |  |  |  |  |
| The paper includes sentences that are complete, clear, and concise. |  |  |  |  |
| The paper follows proper rules of grammar and usage including spelling and punctuation. |  |  |  |  |
|  |  | ***Total Available*** | ***Total Earned*** |  |
|   |  | 3 | #/3 |  |
| **Assignment Total** | **#** | 10 | #/10 |  |
| Additional comments: |