



Economic Constraints

QUIZ

Question 1

When surveying or interviewing a potential customer to understand what price the customer is willing to pay for a product, it's always best to ask the customer directly, rather than use questions with more indirect phrasing.

- a. True
- b. False

Question 2

Typical profit margins for most companies that produce consumer electronics are between 10% and 20%.

- a. True
- b. False

Question 3

Overhead costs for consumer electronics product manufacturing tend to run lowest in:

- a. The United States
- b. China
- c. Taiwan
- d. India

Question 4

Companies that make over 30% profit on consumer electronics products include:

- a. Microsoft
- b. Apple
- c. Panasonic
- d. All of the above

Question 5

Suppose a design involves \$18.00 of direct materials and labor costs, 20% overhead, and 8% profit margin. What is the minimum retail price of the resulting product, according to the cost pricing model?

- a. Around \$23
- b. Around \$30
- c. Around \$20
- d. Around \$50