

Semester V

MJC 8

Intermediate Microeconomics 2

Mark Up Pricing Theory

Follow the content in the following links to form an understanding the theory of Mark Up Pricing :-

<https://corporatefinanceinstitute.com/resources/accounting/markup/>

https://2012books.lardbucket.org/books/theory-and-applications-of-microeconomics/s10-04-markup-pricing-combining-margi.html#coopermicro-ch06_s04_f01

After going through the two contents one should be able to answer the following questions

1. Explain the concept of mark up pricing followed by firms?
2. Illustrate the importance of mark up pricing rules in profit maximization of firms?
3. What is the difference between mark up and gross margins of firms? Illustrate with suitable example.