



Concours CAE session 2016

Composition : **Anglais 1**

Durée : **3 Heures**



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Pricing

Complete the text using these words: **components - demand - market share - monopolist - competitors - overheads - enterprise - sensitive - price - volumes**

The price of a product should logically cover its production and distribution costs, including a proportion of the company's fixed costs or ___(1), such as rent and interest payments, and leave a small profit. But prices are also influenced by the level of demand, the prices of substitute products, and the prices charged by ___(2).

High quality products made with expensive ___(3) and requiring a lot of craftsmanship are obviously expensive. They also generally require "prestige pricing" as the consumers in their target market would not buy them if they thought the ___ (4) was too low. The markets for most other goods are generally price ___(5), i.e. the lower the price, the greater the sales.

But for new products for which there is a sufficiently high ___(6), companies may choose to set the highest possible price so as to maximize profits. This is known as market-skimming. The price can later be reduced in order to reach further market segments. The opposite strategy is market-penetration, which means setting a price as low as possible so as to increase sales volume and ___(7), leading to lower unit production and distribution costs and higher long-run profit. The low price will also discourage competitors.

Companies with overcapacity, intensive competition, a large inventory, or a declining market are likely to cut the prices of established products. They are more concerned with keeping the ___(8) going and staying in business than making a current profit. On the contrary, firms facing rising costs, or in need of cash in the short term, tend to raise prices. A company faced with demand that exceeds supply is also likely to raise its prices, like a ___(9).

But of course, all prices can be adapted. Most companies offer cash discounts to customers who pay immediately, and quantity discounts to buyers of large ___(10). Many products and services are sold at a lower price during an off-season. Retailers often offer some loss-leader prices: they cut the prices of selected products to cost price or below in order to attract customers who also buy other goods. Companies are also often obliged to react to price changes by competitors. They might try to avoid a price war by modifying other elements of the marketing mix. Similarly, they have to anticipate competitors' reactions if they change their own prices.

Answer the following questions on the text in your own words:

11. Why is "prestige pricing" called so?
12. What are the reasons for an increase in prices?
13. Why do you think the prices should be adapted?
14. What is the text about?

Find in the text the words to the following definitions and write them out:

15. ____ is a reduction in the usual price of something;
16. ____ is the action or process of supplying goods to retailers;
17. ____ companies who are trying to sell similar goods or services to the same people;
18. ____ are commodities that are tangible, usually movable, and generally not consumed at the same time as they are produced;
19. ____ is a person or organization that buys goods or services from a store or business for personal use;
20. ____ is a set of the variables, as price, promotion, product and place, managed by an organization to influence demand for a product or service.

Give an answer to the following question in 10 lines:

Do you agree that pricing must be a strategy? Why (not)?

Translate the following text into English.

Le prix est élément important d'action sur le marché, il doit être en cohérence avec les autres variables marketing. Il a une incidence forte pour l'entreprise: il procure des revenus, il influe aussi sur la demande et sur la concurrence. De nombreuses méthodes de fixation de prix existent : les couts, la demande et la concurrence. La connaissance des couts est essentielle pour toute entreprise, elle constitue une base pour la détermination de prix mais ne doit pas faire la seule référence.

Fill in the gaps with appropriate words. Write out the letter (a-d) without copying the sentence.

21. - He stayed too long. - So

- a) you did b) you c) did you d) you too

22. Joan is a good friend of

- a) them b) they c) theirs d) their

23. The program was watched by three ... viewers.

- a) millions b) million c) millions of d) -million

24. She ... for two hours when I finally arrived.

- a) was waiting b) has waited c) had been waiting d) waited

25. Nothing really important has happened since the day he

- a) has left b) left c) had left d) leaves

26. Mrs Brown ... for over six years now.

- a) is dead b) died c) has been dead d) was dead

27. We'll let you know as soon as the problem

- a) is settled b) has settled c) will have been settled d) will be settled

28. I ... in bed for a rest all yesterday.

- a) lied b) was lying c) laid down d) lay

29. The man ... you are looking for has just left.

- a) that b) whose c) which d) whom

30. He needn't ... so rude about it.

- a) to have been b) have been c) having been d) had been

31. Few people came, ... ?

- a) did they b) isn't it c) have they d) didn't they

32. Most of the evidence suggests we could still stop the ecosystem ... down.

- a) melt b) melting c) to melt d) having melt

33. You will understand English much better when you ... here for another month.

- a) will be b) will have been c) have been d) are

34. ... problems are closely linked to the political ones.

- a) Economical b) Economics c) Economic d) Economique

35. When I was a kid, I ... an aquarium at home with as much as twenty fishes at a time.

- a) used to have b) didn't use to have c) used to having d) used to have had

36. I'm not convinced she will succeed, ... the exam is an easy one.

- a) despite b) unlike c) even though d) in spite of

37. President George Bush appointed a record number of Asian Americans to federal jobs, but ... of them achieved a high profile.

- a) every b) few c) many d) a little

38. Government ministers find ... to agree ... what sort of family they want to support.

- a) hard / with b) it hard / with c) hard / on d) it hard / on

39. The rail regulator has complained that he is prevented ... pricing and quality standards.

- a) to enforce b) to enforcing c) from enforcing d) of enforcing

40. He wants that everything ... in order when that time comes.

- a) will be b) was c) to be d) should be