



ECO 510 Module Four Critical Thinking Guidelines and Rubric

Price discrimination is a pricing strategy whereby a firm's prices for the same or very similar goods vary for customers in different markets. This can help the firm attain more profits compared to charging a single price. For example, a movie theater may offer a discount to students but charge non-students a higher price. Suppose you are a consultant to Southwest Airlines. How would you use price discrimination to get the most profits from your customers? Use the concepts from Module Four, including total revenue, marginal revenue, total cost and marginal cost, and the theory of profit maximization to argue your strategy. Do you have to be a monopoly to engage in price discrimination? Explain.

Guidelines for Submission: Your response should be one to two pages in length with double spacing, 12-point Times New Roman font, one-inch margins, and APA citations.

Instructor Feedback: This activity uses an integrated rubric in Blackboard. Students can view instructor feedback in the Grade Center. For more information, review [these instructions](#).

Critical Elements	Exemplary (100%)	Proficient (90%)	Needs Improvement (70%)	Not Evident (0%)	Value
Price Discrimination for Profits	Submission meets "Proficient" and gives multiple examples of applying price discrimination	Clearly explains how one would use price discrimination to get the most profit from customers	Attempts to explain how one would use price discrimination to get the most profit from customers, but is not clear	Does not explain how one would use price discrimination to get the most profit from customers	30
Strategy Argument	Submission meets "Proficient" and uses numerical expressions to illustrate the application of the various concepts	Presents a strategy argument that includes the concepts of total revenue, marginal revenue, total cost and marginal cost, and the theory of profit maximization	Presents a strategy argument that uses some of the following concepts: total revenue, marginal revenue, total cost and marginal cost, and the theory of profit maximization	Does not present a strategy argument for using price discrimination	30
Monopoly Question	Submission meets "Proficient" and includes examples to support explanation	Clearly explains why one does or does not have to be a monopoly to engage in price discrimination	Attempts to explain why one does or does not have to be a monopoly to engage in price discrimination, but is not clear	Does not explain why one does or does not have to be a monopoly to engage in price discrimination	20
Course Vocabulary	Meets "Proficient" and integrates the course vocabulary into all aspects of the case study	Applies vocabulary for the economic topic throughout case study	Lists some vocabulary or phrases, but it is not connected to the context of the questions	Does not include economic vocabulary	10
Articulation of Response	Submission is free of errors related to grammar, spelling, syntax, and organization and is presented in a professional and easy-to-read format	Submission has no major errors related to grammar, spelling, syntax, or organization	Submission has major errors related to grammar, spelling, syntax, or organization that negatively impact readability and articulation of main ideas	Submission has critical errors related to grammar, spelling, syntax, or organization that prevent understanding of ideas	10
Earned Total					100%