**Discuss how a similar “set your price” approach could be used for Heritage Doll with:**

**Match my Doll product line.**

**Design your own Doll product line.**

The cost plus pricing technique would be used in order to determine the price in both types of investment because this technique does not require any historical record of the accurate fact sheet of demand and supply. The need is just to set a specific percentage to the price of each unit to get the amount of profit. Lets for example if 10% is added to the cost of the unit then it will be known as markup. While setting the price by this technique it should be kept in mind that price should be competitive and cover all type of cost either business generate huge profit or less. All new and old business wants to cover their all cost and make revenue and for the sake of this purpose, it is necessary that the selling price should be greater than the total cost.  (Luehrman & Abelli, 2010).

This method is very simple, justifiable and it also assures the profit of contract. The is also some loopholes of this like the Heritage Doll company has to ignore the competition, contract cost overruns and also has to ignore the replacement cost. This method cannot be used in the competitive market but the idea of Heritage Doll Company is quite unique so there is not the strong competitor of these innovations, so they can utilize it as the estimated outcomes of the project is also positive. In the situation of contract, this method will not lead towards downfall and more reliable to use in this kind of investment.

**Reference**

Luehrman, T., & Abelli, H. (2010). New Heritage Doll Company Capital Budgeting. *Harvard Business School Brief Case*, 1-8.