



PRESIDENCY UNIVERSITY

BENGALURU

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End - Term Examinations - December 2025

Date: 10 - 12- 2025

Time: 09:30am - 12:30pm

School: SOD	Program: BDC/BDF/BDG/BDP/BDS		
Course Code: FIN1037	Course Name: COSTING AND PRICING FOR DESIGNERS		
Semester: I	Max Marks: 100	Weightage: 50%	

CO - Levels	CO1	CO2	CO3	CO4
Marks	11	11	35	43

Instructions:

- (i) Read all questions carefully and answer accordingly.
- (ii) Do not write anything on the question paper other than roll number.

Part A

Answer ALL the Questions. Each question carries 2marks.

10Q x 2M=20M

1.	Define "Costing" and "Pricing" in the context of design projects.	2 Marks	L1	CO1
2.	What is meant by the term "Value of Design"?	2 Marks	L1	CO1
3.	Mention any three examples of indirect costs in design business	2 Marks	L1	CO2
4.	What are fixed costs and variable costs? Give one example of each.	2 Marks	L1	CO2
5.	What are the advantages of project-based pricing?	2 Marks	L1	CO3
6.	Define retainer pricing model and give one example.	2 Marks	L1	CO3
7.	Why is there a need for a mindset shift from creator to creative entrepreneur?	2 Marks	L1	CO3
8.	Briefly describe how AI impacts design pricing and workflows.	2 Marks	L2	CO4
9.	Explain the importance of protecting your design work through copyright	2 Marks	L1	CO4
10.	What are the various heads of Income as per Income tax?	2 Marks	L2	CO4

Part B

Answer ALL the Questions. Each question carries 7 marks.

5Q x 7M = 35M

11.	<p>Rahul runs a small bakery in his town. Below are details of his bakery:</p> <ul style="list-style-type: none"> • He owns an oven worth ₹50,000. • He has ₹20,000 cash in his bank account. • He borrowed ₹30,000 from a friend to buy raw materials. • He has furniture (tables and chairs) worth ₹15,000 in his shop. <p>Identify the Assets and Liabilities of Rahul's Bakery.</p>	07 Marks	L3	CO1
Or				
12.	<p>Priyanka owns a small boutique. Here are the details:</p> <ul style="list-style-type: none"> • She owns a sewing machine worth ₹25,000. • She purchased fabrics worth ₹10,000. • She has ₹15,000 cash in hand. • She took a bank loan of ₹20,000 to expand her boutique. <p>Classify the following into Assets and Liabilities.</p>	07 Marks	L3	CO1
13.	<p>A designer spends ₹15,000 on software (valid for 3 projects), ₹10,000 on hardware upgrades, and ₹5,000 on marketing for a month. Calculate the direct and indirect costs for one project if they complete 3 projects in that month.</p>	07 Marks	L3	CO2
Or				
14.	<p>A graphic designer spends ₹30,000 on software licenses and ₹20,000 on freelancers for a branding project. The designer wants a 20% profit margin on the total cost. Calculate the selling price of the project and the profit earned by the designer.</p>	07 Marks	L3	CO2
15.	<p>Hourly pricing is about setting up a rate based on overhead, desired salary, and market rates for the experience level of the designer. Analyze the pros and cons of hourly rate pricing with an example from a small freelance project.</p>	07 Marks	L3	CO3
Or				
16.	<p>Under Value based Pricing model, the price is based on the value or Return on Investment. Analyze the pros and cons of Value based Pricing with an example from a small freelance project.</p>	07 Marks	L3	CO3

17.	A studio offers three packages—Basic ₹10,000, Standard ₹20,000, Premium ₹30,000. Suggest which tiered pricing structure works best for a small business client and why?	07 Marks	L	C03
Or				
18.	Given your design project value is ₹40,000, but the client requests a 10% discount and faster delivery, analyze how this affects your profit margin and work quality.	07 Marks	L3	C03
19.	You bought a font license for ₹12,000 that can be used for 6 projects. Calculate the cost allocation per project and explain the importance of licensing compliance.	07 Marks	L4	C04
Or				
20.	You are working as a freelance designer and you want to protect your creativity. Classify different types of Intellectual property rights available for a designer.	07 Marks	L4	C04

Part C

Answer any three Questions. Each question carries 15marks

3Q x 15M=45M

21.	Compare & contrast the “starving artist” myth with the concept of a thriving creative professional. Support your answer with a relevant example from the industry.	15 Marks	L4	C01
22.	<p>A freelance designer handles multiple projects. Analyze their costing strategy:</p> <ul style="list-style-type: none"> ○ Direct costs: ₹12,000/project ○ Indirect costs: ₹30,000/month ○ 5 projects/month <p>Desired profit margin: 20%</p> <p>Calculate the selling price per project and evaluate whether the pricing is sustainable.</p>	15 Marks	L4	C02
23.	A designer follows a retainer pricing model with 3 clients paying ₹25,000/month each. Analyze how this pricing approach affects stability, creativity, and scalability compared to project-based work.	15 Marks	L4	C03
24.	Discuss the ethical and legal issues involved when a designer uses unlicensed stock assets to reduce project cost. Suggest a compliance framework.	15 Marks	L4	C04
25.	Discuss how AI and automation are transforming pricing models in design. Suggest a sustainable pricing approach for a designer adapting to AI tools.	15 Marks	L4	C04

