

UNIVERSITI KUALA LUMPUR BUSINESS SCHOOL

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FINAL EXAMINATION

JANUARY 2016 SEMESTER

SUBJECT CODE

ECB 30603

SUBJECT TITLE

ECONOMICS OF INNOVATION AND

AND ENTREPRENEURSHIP

LEVEL

BACHELOR

TIME / DURATION

2:00 PM - 5:00 PM (3 HOURS

DATE

31 MAY 2016

1. Please read the instructions given in the question paper CAREFULLY.

2. This question paper is printed on both sides of the paper.

3. This question paper consists of FIVE (5) questions.

4. Answer ALL questions.

5. Please write your answers on the answer booklet provided.

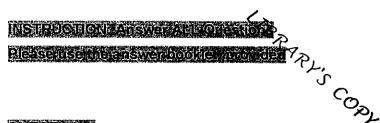
6. All questions Must be answered in English (any other language is not allowed).

7. This greation paper must not be removed from the examination hall.

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QUESTIONE

Briefly explain what you understand by process innovation. (5 marks)
Consider three types of process innovation. Using appropriate diagram, explain thow the processes related to cost concept and production.

QUESTIONEZ

Innovation is now seen as the most important driver of growth and productivity and has become one of the biggest buzzwords in politics and economics. To achieve the growth objective policy makers need to embrace a broader vision of innovation, and shape infrastructure and regulation accordingly. Discuss.

(20 marks)

QUESTIONE

a. Critically explain the conceptof pricing discrimination.

(5 **Mans**)

b. Suppose you are sitting next to a passenger in a flight from KLIA to Abu Dhabi. Briefly discuss the probable concept of price innovation that could be implemented in this airline ticketing with regard to this sitting arrangement.

(8 Marks)

c. One example of price discrimination occurs in the publishing industry when a publisher initially releases an expensive hardcover edition of a popular animated comic and later releases a cheaper paperback edition. Use this example to demonstrate the benefits and potential shortcomings of a price innovation pricing strategy.

(7 Marks)

[20 marks]

QUESTION 4

Discuss the relevant of Schumpeter Theory which says that "..there are stronger incentives for monopolists to innovate compared to competitive firms."

(20 marks)

ECB 30603_Economic of Innovation and Entrepreneurship

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QUESTION 5

a) Whose job is to apply the R&D? Why

b) Will R&D contribute to a country economic growth? Discuss the issue with the help of specific example(s).

Which index and what pillars will be used to gauge whether a country is in the stage of factor-driven or innovation-driven economies? Discuss. UBRARY'S CORT

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TOPECB 30603_Economics of Innovation and Entrepreneurships

