CONFIDENTIAL

UNIVERSITI KUALA LUMPUR
BUSINESS SCHOOL

FINAL EXAMINATION
OCTOBER 2024 SEMESTER

COURSE CODE	:	ECB30603
COURSE NAME	:	ECONOMICS OF INNOVATION AND ENTREPRENEURSHIP
PROGRAMME NAME	:	BACHELOR OF BUSINESS ADMINISTRATION (HONS) IN MARKETING AND ENTREPRENEURSHIP / BACHELOR OF SCIENCE (HONS) IN ANALYTICAL ECONOMICS
DATE	:	12 FEBRUARY 2025
TIME	:	9.00 AM – 12.00 PM
DURATION	:	3 HOURS

INSTRUCTIONS TO CANDIDATES

1. **Please CAREFULLY read the instructions given in the question paper.**
2. **This question paper has information printed on both sides of the paper.**
3. This question paper consists of **TWO (2) Sections; Section A and Section B**.
4. Answer **ALL** questions in **Section A and Section B**.
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 question paper must not be removed from the examination hall.**

THERE ARE THREE (3) PAGES OF QUESTIONS, EXCLUDING THIS PAGE.

SECTION A (Total: 40 Marks)

INSTRUCTION: Answer ALL questions.
Please use the answer booklet provided.

Question 1

(a) The Market Development Life Cycle model, also called Moore's Life Cycle, was developed by Geoffrey A. Moore. The model provides an insight into innovating within established enterprises and the Leadership style corresponding to the different innovation types used in Moore's Life Cycle. Define the below terms and their innovation types:

(i) Early Market

(5 Marks)

(ii) The Chasm

(5 Marks)

(iii) Bowling Alley

(5 Marks)

(iv) Tornado

(5 Marks)

(v) Main Street (Early)

(5 Marks)

(vi) Main Street (Mature)

(5 Marks)

(vii) Main Street (Declining)

(5 Marks)

(viii) Fault Line and End-of-Life

(5 Marks)

SECTION B (Total: 60 Marks)

INSTRUCTION: Answer ALL questions.
Please use the answer booklet provided.

Question 2

Innovation is a critical driver of growth and competitiveness in today's rapidly evolving business landscape. Understanding the **sources of innovation** is essential for organisations seeking to harness new ideas and improve their products, services, and processes. Peter Drucker, a prominent management theorist, identified several key sources of innovation that can guide businesses in their quest for creative solutions. Elaborate **Peter Drucker's Seven (7) sources of innovation** for Business Success.

(15 Marks)

Question 3

Explain how digital business models fundamentally alter the dynamics of **Porter's Five Forces of industry competition**, specifically in terms of new competitors, the threat of substitutes, and the bargaining power of buyers and suppliers.

(15 Marks)

Question 4

Elaborate on the key benefits of implementing diversity, equity, and inclusion (DEI) initiatives within organisations, particularly in innovation, employee engagement, and overall business performance.

(15 Marks)

Question 5

Prime Minister Datuk Seri Anwar Ibrahim said the digital economy may contribute 25% of Malaysia's GDP, or RM 120 billion, by 2030. Therefore, the government of Malaysia has launched the National AI Office (NAIO) to streamline efforts to enhance the digital ecosystem as Malaysia strives to become a high-income nation. Discuss the economic impact of AI technology on global productivity, employment, and income distribution, particularly its potential to create new markets and job categories while displacing specific roles and exacerbating inequality.

(15 Marks)

END OF QUESTION PAPER