



UNIVERSITI KUALA LUMPUR
Malaysia France Institute

FINAL EXAMINATION
JANUARY 2010 SESSION

SUBJECT CODE : WBB 10202
SUBJECT TITLE : INNOVATION MANAGEMENT
LEVEL : BACHELOR
TIME / DURATION : 8.00pm – 10.00pm
(2 HOURS)
DATE : 28 APRIL 2010

INSTRUCTIONS TO CANDIDATES

1. Please read the instructions given in the question paper CAREFULLY.
2. This question paper is printed on both sides of the paper.
3. Please write your answers on the answer booklet provided.
4. Answer should be written in blue or black ink except for sketching, graphic and illustration.
5. This question paper consists of THREE (3) sections. Section A,B and C. Answer ALL questions in section A and B. For Section C answer THREE (3) questions only.
6. Answer ALL questions in English.

THERE ARE 7 PAGES OF QUESTIONS, EXCLUDING THIS PAGE.

SECTION A (Total: 15 marks)

INSTRUCTION: Answer ALL questions. Write T if the statement is TRUE. Write F if the statement is FALSE.

Please use the answer sheet provided.

1. Quinn introduced the *stage-gate system* for moving product innovation to the marketplace more rapidly.
2. The type of innovation will largely determine the marketing and sales issues. Incremental innovations present more complex issues than radical innovations.
3. Product innovation involves technology and market unknowns that must be dealt with.
4. Models serve to communicate the appearance of the proposed product. They are typically used to give an impression of what the product will actually look like.
5. Batch systems are usually associated with mass production. Items are produced in very large numbers using dedicated equipment especially designed for the purpose.
6. Many innovations, especially in technological fields, arise as a result of extensive scientific research carried out over many years often by large teams of people.
7. Customers can be a valuable resource when the organization knows the customer; the customer's needs, and understands how the customer uses the equipment or service.
8. People who work below their competency level soon become a burden on the organization.
9. Everything i.e. research, development, engineering, manufacturing, marketing and sales, distribution, and all the related administrative activities, could be outsourced.

10. Elena considers her eye makeup to be very important. She spends considerable time comparing the prices and color options available at various cosmetic counters in department stores. For Elena, makeup is a convenience product.
11. A temporal discrepancy is the difference between the amount of product produced and the amount an end user wants to buy.
12. Advertising is an impersonal one-way mass communication about a product or organization that is paid for by the sponsor.
13. Derived demand means that an increase or a decrease in the price of a product will not significantly affect demand for it.
14. Raw materials are unprocessed extractive or agricultural products, such as mineral, lumber, wheat, vegetables, and fish, which become part of the final product.
15. Entering foreign markets by joining with foreign companies to produce or market a product or service is called direct investment.

SECTION B (Total: 15 marks)**INSTRUCTION: Answer ALL questions.****Please use the answer booklet provided.**

1. "Innovation model with three periods; initiation, development and implementation/ termination period." The statement best describes the process model introduced by:
 - A. Quinn
 - B. Van de Ven
 - C. Robert Cooper
 - D. Roberts and Frohman

2. The following are the barriers to innovation EXCEPT :
 - A. Too much rationalism
 - B. Intolerance of fanatics
 - C. Top management control
 - D. Assessment of all overhead charges

3. The tasks of designers include:
 - I. Preparing detail design
 - II. Ensuring product operate effectively
 - III. Ensuring product appealing to consumers
 - IV. Ensuring product capable of being manufacture.

A. I, II and III	C. II, III and IV
B. I, III and IV	D. I, II, III, and IV

4. The initial decisions surrounding production engineering concern is:
- A. Who is to undertake manufacture?
 - B. Will the product be safe for customer?
 - C. When should the production started?
 - D. What types of equipment and tooling needed?
5. The distribution system involves three distinct functions EXCEPT:
- A. customer service
 - B. transportation decision
 - C. the way organization sells its products
 - D. the physical plant and equipment that move the product from the warehouse to the customer
6. Which of the following is NOT part of organizational resources :
- A. Creditors
 - B. Suppliers
 - C. Customers
 - D. Distributors
7. The Roberts and Frohman model has six stages, and is representative of many models found in academic research. Which of the following is the correct order in the Business Plan format?
- I. Idea formulation
 - II. Problem solving
 - III. Prototype solution
 - IV. Commercial development
 - V. Recognition of the opportunity
 - VI. Technology utilization and/or diffusion
- A. I, II, V, III, VI and IV
 - B. III, I, II, V, IV and V
 - C. IV, II, III, I, IV and VI
 - D. V, I, II, III, IV and VI

8. Why is creation of a product the starting point for the marketing mix?
- A. The production department must know what to produce first.
 - B. Production strategy is the first of the four Ps listed in the marketing mix.
 - C. Determination of the price, promotional campaign, and distribution network cannot begin until the product has been specified.
 - D. Product development takes the longest amount of time to complete.
9. A company setting their prices so that total revenue is as large as possible relative to total costs for a given item. The company is using:
- A. Status quo pricing objectives
 - B. Sales-oriented pricing objectives
 - C. Profit-oriented pricing objectives
 - D. Market-oriented pricing objectives
10. Products fail for many reasons. The reasons are:
- I. Incorrect pricing
 - II. Incorrect positioning
 - III. Overestimation of market size
 - IV. Poor match between product features and customer desires
- A. I, II and III
 - B. I, II and IV
 - C. I, III and IV
 - D. I, II, III and IV
11. The followings are the classification of business products EXCEPT
- A. major equipment
 - B. accessory equipment
 - C. raw materials
 - D. specialty materials

12. Limited decision occurs when:
- A. consumers buy luxury item with extensive buying decision.
 - B. consumers buy unfamiliar, expensive, or infrequently bought item.
 - C. consumers buy frequent purchased, low-cost goods and services that require very little decision effort.
 - D. consumers have previous product experience, but is unfamiliar with the current brands available.
13. Inelastic demand is defined as
- A. the demand for business products that results from the demand for consumer products.
 - B. the increase or a decrease in the price of a product will not significantly affect demand for it.
 - C. the demand for the final product will affect all of the jointly demanded products.
 - D. the demand for business products tends to be more unstable than the demand for consumer products.
14. The followings are the major categories of business customers EXCEPT
- A. resellers
 - B. suppliers
 - C. producers
 - D. governments
15. Which of the following statements is TRUE about the roles in the Buying Center?
- A. The initiator is the person who first suggests making a purchase.
 - B. Decider often define specifications for the purchase or provide information for evaluating options.
 - C. Purchaser regulates the flow of information about the purchase to the deciders and others.
 - D. The Users are the person who possesses formal or informal power to choose or approve the selection of the supplier or brand.

SECTION C (Total: 30 marks)**INSTRUCTION: Answer only THREE questions.**

Please use the answer booklet provided.

Question 1Explain any **five (5)** factors to be considered before we start with innovation process.

(10 marks)

Question 2

a) Explain the phase of Research and Development / Invention in the innovation process.

(6 marks)

b) Briefly explain any **two (2)** functions of prototype.

(4 marks)

Question 3Explain briefly any five **(5)** organizational resources.

(10 marks)

Question 4Innovation begins with the analysis of the sources of new opportunities. Many potential sources of innovation can be identified. Explain any **four (4)** sources of innovation.

(10 marks)

Question 5Explain the **five (5)** categories of adopters participate in the diffusion process.

(10 marks)

END OF QUESTION