



**UNIVERSITI KUALA LUMPUR
BUSINESS SCHOOL**

**FINAL EXAMINATION
MARCH 2026 SEMESTER**

COURSE CODE	: ECB30603
COURSE NAME	: ECONOMICS OF INNOVATION AND ENTREPRENEURSHIP
PROGRAMME NAME	: BACHELOR OF SCIENCE (HONORS) IN ANALYTICAL ECONOMICS
DATE	: 25 JUNE 2026
TIME	: 9:00AM – 12:00PM
DURATION	: 3 HOURS

INSTRUCTIONS TO CANDIDATES

1. Please **CAREFULLY** read the instructions given on this question paper.
2. This question paper has information printed on both sides of the paper.
3. This examination comprises **ONE (1)** section.
4. You are required to answer **ALL** questions.
5. Please write your answer in 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 TWO (2) PAGES OF QUESTIONS, INCLUDING THIS PAGE.

INSTRUCTION: ANSWER ALL QUESTIONS

(Total: 100 Marks)

Question 1

Explain the Incentive Theory of IPR. How does a patent solve the "Market Failure" associated with the non-excludable nature of knowledge?

(25 marks)

Question 2

Explain the concept of "Ambidextrous Leadership." How does a leader balance the need for Exploitation (efficiency in current products) with Exploration (innovation for the future)?

(25 marks)

Question 3

Discuss the role of leadership in increasing a nation's Total Factor Productivity (TFP). How does a leader's ability to orchestrate human and financial capital lead to long-term economic expansion?

(25 marks)

Question 4

- a. Explain the Triple Helix Model. How does the synergy between Government, University, and Industry create a sustainable National Innovation System (NIS)?

(13 marks)

- b. Discuss the concept of Absorptive Capacity. Why is it essential for a nation to invest in human capital before it can successfully benefit from technology transfer or FDI?

(12 marks)

END OF EXAMINATION PAPER