



BERJAYA SCHOOL OF COMMUNICATION & MEDIA ARTS
Faculty of Liberal Arts

FINAL EXAMINATION (ONLINE)

Course Code & Name : **COM 2644 Media Economics**
Trimester & Year : January – April 2022
Lecturer/Examiner : Steven K C Poh
Duration : 3 Hours

INSTRUCTIONS TO CANDIDATES

- This online examination will require you to answer all **SIX (6)** structured questions in **Part A** and all **TWO (2)** essay questions in **Part B**.
- An extra 15 minutes will be provided for you to save and submit your work online.
- Your answers must be clear and concise and your entire submission must not exceed a maximum of 2,000 words while using double spacing.
- This is an online examination and it should be completed independently, without discussion with other students or individuals.
- Use your own words or change 2 or 3 words in the sentence in the lecture notes when explaining or defining concepts/theories/models in your answers.
- Always use your own examples and show how they would apply. Just listing an example (e.g., iPhone 12 promotion) is not enough.
- Always support or defend your claim/position adequately.

Total Number of pages = 4 (Including the cover page)

PART A: SIX (6) STRUCTURED QUESTIONS (60 MARKS)
INSTRUCTION: Answer ALL questions.

QUESTION 1

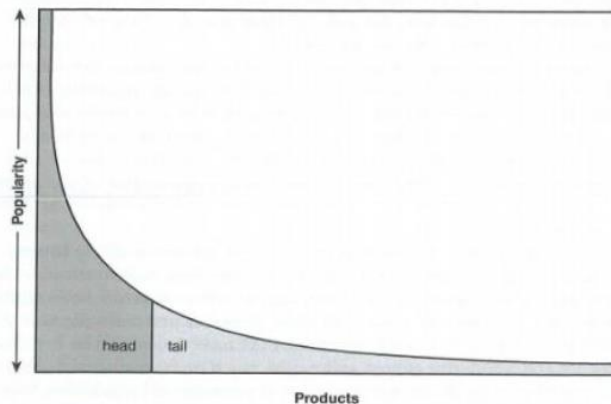
- (a) Explain **THREE (3)** personal reasons why managers try to expand the firm. (6 marks)
- (b) Explain **THREE (3)** benefits of horizontal expansion. (6 marks)
- (c) Disney (a TV-based business) acquired Club Penguin (an online gaming provider) in 2007. Identify and explain the type of expansion involved. (4 marks)

QUESTION 2

- (a) Explain the difference between direct and indirect network effect. Provide **ONE (1)** example for each type of the network effect. (4 marks)
- (b) Explain **TWO (2)** advantages when U.S. networks club together to sell advertising. (4 marks)

QUESTION 3

- (a) Identify and explain the concept shown in the image below. (3 marks)



- (b) In the context of broadcasting, the term 'market failure' tends to be used in two different ways. Explain the **TWO (2)** ways. (6 marks)

QUESTION 4

List and explain the **FOUR (4)** risk-reduction strategies implemented by Hollywood film companies and why they were employed. Comment on each of the strategies in terms of their impact on the audience (whether negative or positive). Provide an example for each strategy.
(12 marks)

QUESTION 5

Some people are of the view that firms are in control of their own markets through the use of advertising while some disagree. Discuss both views. Also, which view will you be more inclined to accept and why?
(6 marks)

QUESTION 6

Explain **THREE (3)** main ways that user generated content platforms generate revenue.
(9 marks)

PART B: TWO (2) ESSAY QUESTIONS (40 MARKS)
INSTRUCTION: Answer ALL questions.

QUESTION 1

Discuss **TWO (2)** positive consequences and **TWO (2)** negative consequences of media ownership concentration in the context of Rupert Murdoch's News Corporation (or if you prefer to use a more localised context, you may consider Media Prima Berhad). Do you think the positive consequences outweigh the negative consequences or *vice-versa*? Where do you stand on this debate? Defend your position.

(20 marks)

QUESTION 2

Discuss **FOUR (4)** types of new business model in the digital world. Provide an example for each type and briefly explain your examples. If you were a digital entrepreneur (starting out on a new business), which **one** of the four business models would you use for your business? Briefly discuss the nature of your digital media business and why you choose the said business model.

(20 marks)

(END OF EXAM)