BERJAYA SCHOOL OF COMMUNICATION AND MEDIA ARTS

FACULTY OF LIBERAL ARTS

FINAL ASSESSMENT

Course Code & Name   :   COM2644 MEDIA ECONOMICS

Semester & Year   :   May – August 2020

Lecturer/Examiner   :   Ms Alicia Loo

PART A : SEVEN (7) STRUCTURED QUESTIONS (70 MARKS)
INSTRUCTION : Answer ALL questions.

QUESTION 1

Explain the following concepts in the context of media economics. (10 marks)
(a) Macroeconomics
(b) Law of diminishing marginal utility
(c) Vertical deconstruction
(d) Creative destruction
(e) Lean forward

QUESTION 2

(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 3

(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 US networks club together to sell advertising.
   (4 marks)

QUESTION 4

(a) Identify and explain the concept shown in the image below. (3 marks)
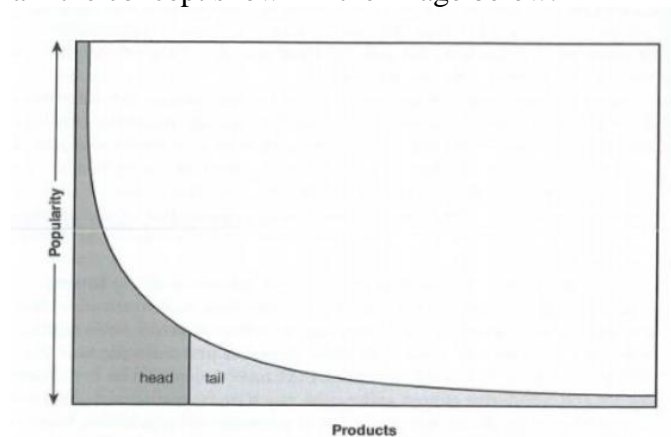
(b) In the context of broadcasting, the term 'market failure' tends to be used in two different
   ways. Explain the **TWO (2)** ways. (6 marks)

QUESTION 5

Explain **FOUR (4)** risk-reduction strategies implemented by Hollywood film companies.
Provide an example for each strategy. (12 marks)

QUESTION 6

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.   (6 marks)

QUESTION 7

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

PART B   : TWO (2) ESSAY QUESTIONS (30 MARKS)
INSTRUCTION   : **Answer ALL questions.**

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QUESTION 1

Discuss **TWO (2)** negative consequences of media ownership concentration in the context of Rupert Murdoch's News Corporation.   (10 marks)

QUESTION 2

Discuss **FOUR (4)** types of new business model in the digital world. Provide an example for each type. Briefly explain your examples.   (20 marks)

(END OF EXAM)