TRIBHUVAN UNIVERSITY
FACULTY OF MANAGEMENT
Office of the Dean
September 2018

Full Marks: 60
Pass Marks: 27
Time: 3 hrs.

BIM / Eighth Semester / IT 230: Economics of Information and Communication

Candidates are required to answer all the questions in their own words as far as practicable.

Group "A"

1. **Brief Answer Questions:**   *[10 × 1 = 10]*

    i.   What are the characteristics of information economy?

    ii. What is reservation price?

    iii. Define transaction cost.

    iv. Why information is costly to produce?

    v.   What do you mean by value-based pricing?

    vi. How loyalty program creates artificial lock-in?

    vii. Why switching cost is calculated?

    viii. List the fundamental threats commonly faced by the open standards.

    ix. How Hollywood is defined?

    x.   How terms and conditions should be chosen for intellectual property?

Group "B"

Short Answer Questions: *[6 × 5 = 30]*

2. What is market failure? What are the ways of correcting it?

3. What is differential pricing? Briefly describe the different forms of differential pricing.

4. Briefly describe the evolution and revolution strategies for igniting the positive feedback. When these strategies are recommended?

5. What types of information resources are useful in crisis situation? Explain.

6. When and why cooperative standard settings and single firm conduct are questionable? Discuss.

7. What are the potential threats to Nepalese music industry's privacy?

Group "C"

Comprehensive Questions: *[2 × 10 = 20]*

8. Why organizations create customer lock in strategy and how they implement it?

9. How standard war develops? Explain the impacts of standard war? How standard war can be waged?

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