

TRIBHUVAN UNIVERSITY  
FACULTY OF MANAGEMENT

Office of the Dean

April 2021

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. Define information economy.
- ii. Define arbitration.
- iii. What is personalized pricing?
- iv. List out the components of digital economy.
- v. What is digital right management?
- vi. How switching costs can be calculated?
- vii. What are the sources of positive feedback?
- viii. Define rival revolutions.
- ix. List out the fundamental components of information environment.
- x. Why same product is sold for different price at different location?

**Group "B"**

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

2. Explain the difference between adverse selection and moral hazard problem with example. Can one exist without the other?
3. What are the different forms of differential pricing? Explain each form with examples.
4. Explain the various economic patterns leading to lock-in and its associated switching costs in information economy.
5. What are the sources of positive feedback network externalities? Explain them.
6. How individual, group and organization being socially disrupted from ICT infrastructures at the time of war. Explain.
7. State and explain the importance of technological changes in information economy.

**Group "C"**

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

8. What do you mean by value subtraction versioning? Explain the different dimension of versioning which help for market research.
9. "Advances in technology will continue to reach for into every sector of economy". Illustrate this statement as how technological innovation is indeed importance to economic growth and enhancement of human possibilities.

