



Plot No. 2, Knowledge Park-III, Greater Noida (U.P.) – 201306

**POST GRADUATE DIPLOMA IN MANAGEMENT (2018-20)**  
**END TERM EXAMINATION (TERM -IV)**

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Subject Name: **Management of Technology, Innovation & Change (Theory)**      Time: **02.00 hrs**  
Sub. Code: **PG-22**      Max Marks: **50**

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**Note:**

- 1. Writing anything except Roll Number on question paper will be deemed as an act of indulging in unfair means and action shall be taken as per rules.**
- 2. All questions are compulsory in Section A, B & C. Section A carries 5 questions of 2 marks each, Section B carries 2 questions of 10 marks each and Section C carries 2 Case Studies of 10 marks each**

**SECTION - A**

**02×05 = 10 Marks**

- Q.1 (A): Discuss the Relationship of Technology with the Wealth of Nation.  
Q.1 (B): Point out numerous driving forces of Change.  
Q.1 (C): Differentiate between literal thinking and lateral thinking.  
Q.1 (D): Discuss various Innovation Strategies  
Q.1 (E): Discuss the attributes of innovation that impact on rate of adoption

**SECTION - B**

**10×02 = 20 Marks**

- Q. 2: Define the concept of innovation and explain the types of innovations using suitable examples for each type.  
Q. 3: Discuss in detail the frame work of E-Commerce Project with respect to retail industry.

**SECTION - C**

**10×02 = 20 Marks**

**Q. 4: Case Study:**

**Case-I: Friendster ( A social media site), Will It Survive?**

Friendster, a first-generation social networking site created in 2002, had early success as one of the first social networking sites available. It allowed users to host their own profile on a personal page and then develop their own personal network of friends by browsing friend lists of other user profiles. Applications included photo loading and message boards.

A critical point in the infantile life of Friendster came in 2003 when Google offered Friendster's management \$30 million for ownership of the site. Like David stepping up to Goliath, then owner and original founder Jonathan Abrams declined the offer, expecting to continue on the site's rate of growth.

This decision has been greatly ridiculed as one of the major blunders of online business; however, with no history to go on, who could have known a site that went from creation to a valuation of \$30 million in just one year had topped out? This had been well prior to the blockbuster sales of YouTube and MySpace; therefore, there was little precedent to go on at the time. It was a bold decision, but, ultimately, the wrong one.

Following the offer, Friendster's star began to fall. To explain Friendster's drop in popularity, critics point to the site's server not being large enough to support its increasing traffic and desperately needed capital investment and technical development (two things the Google purchase could easily have provided). Critics also point to the site being out of touch with the average teenager, something that the up and coming MySpace had figured out. It was claimed that

Friendster was far too businesslike for the average teenager and targeted an audience far older than it should have.

The better-researched and better-funded MySpace promptly picked up where Friendster faltered. It satiated users' appetites for newer and better applications, such as video and games, as it gathered up users who were frustrated with long load times and frequent server shutdowns. Friendster's market share in the United States has never recovered.

The story of Friendster is comparable to the recent craze of TV game shows where contestants are offered increasingly exorbitant amounts of money and must decide whether to take the money or risk it all in the hope of being offered more. In both cases, the "contestant" enters with nothing, is presented a great deal of money, and ultimately ends up way over his or her head. Some leave happy; others leave frustrated with themselves.

Friendster's outlook today is not so grim. It has reorganized itself in Asia where it is experiencing success in various markets. It is the number one social networking site in the Philippines and number two site in Singapore. It boasts 65 million users worldwide; however, most are in geographic markets far less valuable to advertisers than the United States, where it had once held great appeal but is now not even in the top 10 social networking sites. Friendster is now valued at one thirtieth the price it had been offered by Google back in 2003.

- a) **Analyze the above case and discuss the decline cause of Friendster?**
- b) **Identify the reasons of success with Friendster in other countries?**

### **Q. 5: Case Study:**

#### **Case-II: Innovation and the MSME Sector in India**

The Indian MSME sector has a pivotal role in the overall growth of industrial economy. Consistently it has registered higher growth rate of 10.8% compared to the overall industrial sector, contributing nearly 45% to manufacturing, approximately 40% to the Indian export sector. Though the Indian MSME seems inconsequential in terms of investment and employment per enterprise, the following aggregate performance figures paint a different picture; More than 100 lakh MSME units with an investment of more than Rs 1 lakh crore. Over 11 million MSME units that produce more than 8000 products. Ninety per cent of the Indian industrial units belong to the MSME sector.

Indian MSMEs have moved up the value chain from manufacture of simple, traditional goods including leather, gems and jewelry to manufacture of sophisticated products and complicated service sector. Despite these impressive statistics and high growth rates, Indian MSMEs have major challenges in areas of operations, technology, supply chain, competition, funding, manufacturing, and markets.

A global study of innovation patterns of MSMEs in different countries shows a positive relationship between innovation and the growth of MSMEs. Examples include England MSMEs pursued radical innovation as a strategy of firm growth; Estonia MSMEs used innovation to improve their market share performance and diversified range of goods and services. Other empirical studies have found a positive impact of innovation output on the sales turnover change in the craft-dominated German industries and American high-tech industries. As these findings are related to industrialized countries, their relevance to developing country like India can be slightly discounted.

India has very few what are considered as innovating firms. In this globalized world, MSMEs need to be thriving and sustain in a Knowledge-based Economy, where competitive advantage is less from access to physical resources, and more from ideas that can be translated into economic and social value. Knowledge becomes critical to create and improve products and services, develop efficient distribution and marketing methods, and address these challenges. Dynamic and self-sustaining innovation is regarded as one of the most important factor in this Knowledge-Based Economy. Consequently, it is essential for the Indian MSME sector to foster innovation at the firm level to address these problems and challenges, and compete internationally.

- A. Critically analyze enabling factors that inculcate innovation in Indian MSME sector. Also highlight the challenges of incorporating innovation in the Indian MSME sector.
- B. Discuss the innovation's role in the competitiveness of MSME in India to compete internationally.