

MBA-II / SEM-IV / (2024-25)

COMPREHENSIVE CONCURRENT EVALUATION

Faculty Name: Prof. Ujjval More

Subject: Economics of Network Industries

Sub Code: 403 SC–BA-05

Sr. No.	Parameter / Component	Marks	Date of Exam/Submission
1	Written Home Assignment	50	03/03/2025
2	Case Study	50	08/03/2025
3	End Semester Examination	50	

Component 1. Written Home Assignment

Instructions:

1. The last date of Submission is 08/03/2025.
 2. Written Home Assignment should be handwritten and in your own words; copied Written Home Assignment and case study from peers on other open sources will not be considered for assessment.
 3. The content should cover all the points & justify the marks for Written Home Assignment and case study.
 4. Incomplete Written Home assignments will not be accepted.
 5. Student name, specialization, written Home Assignment questions must be clearly mentioned.
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Component 1. : Written Home Assignment:

(50 Marks)

1. What do you mean by Virtual Networks?
2. Explain Network Effects Under Compatibility and Perfect Competition?
3. How does the digital transformation effect have changed after COVID 19?
4. Describe the role of ATMs, Media of Exchange as Networks in banking system?
5. Define about Static Approach in Technology advance and standardization.
6. What is the importance of Information reproduction, Economics of Libraries, Pricing Information Goods in industry review I?
7. What does software prise in effect the market segmentation?
8. Difference between Statuses Seeking versus Conformism?
9. Define Principles of Software Production
10. What are network effects in physical?

Component 2. Case Study:

(50 Marks)

I. Network Economics in Social Media Platforms

Background: Social media platforms, like Facebook, Twitter, and Instagram, thrive on network economics. The value of these platforms increases as more users join, creating a larger network of interactions. A key characteristic of network economics is that the benefit each user derives from the platform grows as the number of users rises, creating a positive feedback loop. For instance, Facebook became more valuable to its users as more people joined, allowing users to connect with a larger group, share posts, and engage in interactions.

Over time, social media companies have used their understanding of network economics to design features that incentivize user growth, such as friend recommendations, content sharing, and targeted ads. This strategy has helped platforms dominate the market and maintain user engagement, although it also presents challenges, such as managing data privacy, dealing with misinformation, and balancing profitability with user experience.

Questions:

1. How does the concept of network externalities contribute to the growth of social media platforms like Facebook and Instagram?
2. What are the challenges social media companies face as their user base grows, and how can they manage these challenges while maintaining the value of their network?

II. Technology Advancement and Standardization in the Smartphone Industry

Background: In the smartphone industry, technological advancements and standardization have played a critical role in shaping the market. Over the past two decades, we've seen rapid technological innovations—such as faster processors, improved camera systems, and enhanced battery life—driving competition among major players like Apple, Samsung, and Huawei. However, along with these advancements, the industry has also experienced a process of standardization, where certain technologies, such as USB-C charging ports, the Android operating system, and touchscreen interfaces, became widely adopted across different brands.

Standardization helps improve user experience by ensuring compatibility across different devices and accessories. For example, the shift to USB-C charging ports across smartphones has simplified the use of cables and chargers, as users no longer need to carry multiple types for different devices. While this standardization drives cost reduction and convenience, it also limits the opportunity for companies to differentiate their products purely based on hardware, forcing them to focus on software, design, and user experience instead.

Questions:

1. How does technological advancement in the smartphone industry drive competition, and how does standardization help balance this competition across different brands?
2. What challenges do companies face in balancing innovation with standardization, and how do they maintain a competitive edge while adhering to industry standards?

Component 3. End Semester Examination:

(50 Marks)