



UNIVERSITY OF RUHUNA
FACULTY OF MANAGEMENT AND FINANCE

No. of Pages : 03
No. of Questions: 06
Total Marks : 70

073

BACHELOR OF BUSINESS ADMINISTRATION HONOURS DEGREE

Three Hours

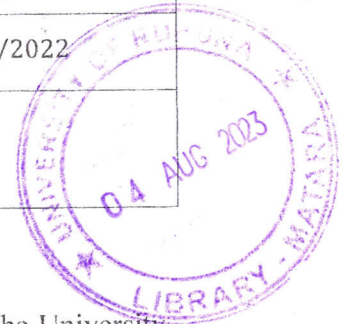
2000 LEVEL SECOND SEMESTER END EXAMINATION - FEB/MAR 2023

MGT 22603: Creativity and Innovation

Academic Year 2021/2022

Instructions

➔ Answer only four questions, including the Question 01.



Question 01 : Read the case and answer the questions given.

Nawanjana is passionate about the entertainment business and is a recent graduate of the University of Ruhuna's Business Management programme. His longtime girlfriend, Nawoda, is a recent Computer Science graduate from the same university. Conversely, they became close due to their mutual appreciation of the same online game they played while studying at the university. Both of them had no desire to join another company, preferred instead to use their skills and interests to start their own business.

In 2020, the two of them opened their new business as a private company in Matara, Sri Lanka. The company's goal was to make good mobile games that could be played in English, Tamil, and Sinhala. Nawoda created the company's website, while Nawanjana hired interns who were students at the University of Ruhuna. They felt that interns' ethnic diversity was more important than interns' diversity in any other area. This means that an equal number of Sinhala and Tamil interns who can speak English were prioritized during the student selection process. Almost all of the interns hired in 2020 were friends who were junior to them at the same faculties.

They reviewed the firm's progress several months after it began, and since then they have conducted regular interviews with employees and users for several projects, giving them a good idea of the firm's evolution. They also had access to a certain amount of information about their products, primarily from social media, which allowed them to determine the innovative nature of some games. In the beginning, the company benefited from and gained synergies from both Nawoda's IT expertise and Nawanjana's business management experience. Their first game was an in-house production that was released commercially at the end of 2021. Although the game was quite good by today's standards, the company had difficulty marketing it, but it was noticed by a major game publisher. The game publisher hired the company to make a mobile phone game based on a franchise he already owned and used to make games for PCs and consoles. This was new for the company, so it decided to make games with fairly standard ideas for big publishers while also making its own original games.

At the end of their internship, all of the team members they had hired at the start of the company's operations left. They began work on their second game with a newer team, but the results did not satisfy the publishers, so the second game was never released to the public.

Although their first game is still popular in the market, according to Nawanjana, technology is constantly evolving, and the game will soon become dormant. This is currently one of his most pressing challenges. However, Nawoda believes that the value and demand for their first game will remain constant for a long time, so there is no need to change that. Nawanjana really want Nawoda to concentrate on fine-tuning and adding/removing features. This aspect, however, is neglected. Nawoda has numerous game development concepts yet, for Nawanjana, the most important thing is to first understand the market demand for the games before producing the third. He believes that ignoring market demand will result in product failures on the market. He usually asks questions about demand, audience, lifespan, and earning potential of the product when evaluating game ideas. Nawoda has no suitable responses to most of Nawanjana's questions. Nawanjana wants to have solid answers to these questions before moving on to the next stages of idea generation, but Nawoda considers it as a waste of time. She considers that the game can be developed with the core functionalities and then released as a beta version to get the response from the users. Changes to the design, flow, and interface can be made based on market and audience feedback. Nawanjana believes that getting feedback at least from newly hired internal staff would be preferable to releasing an untested version to the market. They both agreed on the concept, but can the team evaluate the creative ideas? That is the current burning issue of the firm now.

Questions

- a) Is it a good idea for a company to hire university students as interns based solely on their ethnic diversity if it wants to generate creative ideas for its new game development? Explain your response in detail. (05 Marks)
- b) Which criteria are appropriate for evaluating the creative potential of Nawoda's ideas? Give a concise explanation of each. (05 Marks)
- c) What methods can the firm use to evaluate the creative potential of prospective employees who are interested in joining the workforce? Provide a concise summary of **one of the methods** you provided. (05 Marks)
- d) What factors should the company prioritize if it wants to foster, improve, and sustain team creativity within the organization? Describe your response in detail. (05 Marks)
- e) Before releasing the Beta version of the game, should they place a higher priority on evaluating market potential? Describe your response in detail. (05 Marks)

(Total 25 Marks)

Question 02

- a) Discuss the difference between 'Incremental'/'Radical' innovation vs. 'Push'/'Pull' stimulus innovation. (10 Marks)
- b) Briefly explain three sources of innovations which offer opportunities to entrepreneurs. (05 Marks)

(Total 15 Marks)

Question 03

- a) Creativity process is a mixture of divergent and convergent thinking. Briefly explain how divergent and convergent thinking works in creativity process. (10 Marks)
- b) Discuss three attributes of a creative mind. (05 Marks)

(Total 15 Marks)

Question 04

- a) Crowdfunding is a relatively new potential source of resources and funding for a new business. Explain the concept of crowdfunding by emphasizing its benefits. (10 marks)
- c) Explain the key roles in a new venture (05 Marks)

(Total 15 Marks)

Question 05

- a) Explain the role of the Internet in business model innovation using at least three examples from different industries. (10 Marks)
- b) Explain the five critical knowledge management tasks in an organization. (05 Marks)

(Total 15 Marks)
