

## ***Innovation quiz 1***

2024-03-19

18 points

45 minutes

Student name: \_\_\_\_\_

*Please read each question carefully before answering.*

*Indicate the answer you believe to be correct for each question at the back-end of the quiz.*

*No negative points will be assigned for a wrong answer.*

*Best of luck!*

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1) Walter is the new director of R&D at Good Health Inc., a pharmaceutical company. Which of the following statements by Walter would indicate that he believes in the concept of the innovation funnel?

A) "Innovation is a freewheeling process that is unconstrained by rules and plans."

**B) "While there are many potential new product ideas going in the wide end, very few make it through the development process."**

C) "I believe that Good Health should limit new idea generation to save time and other resources."

D) "I believe that Good Health should allow all new ideas generated in the company to make it to the development process."

2) Innovations can always be traced back to a single source:

A) true

**B) false**

3) Organizations that manufacture products such as light bulbs for lamps or chargers for electrical vehicles are called \_\_\_\_\_.

A) moderators

B) lead users

**C) complementors**

D) incubators

4) Which of the following is the correct sequence of steps for the science-push approach to research and development?

A) Customers express an unmet need, the R&D team develops the product to meet that need, the product is manufactured, and finally the marketing team promotes the product.

**B) Scientific discovery leads to an invention, the engineering team designs the product, it is then manufactured, and finally the marketing team promotes it.**

C) The marketing team discovers a need, R&D comes up with the product concept that is refined by the engineering team, the manufacturing team then produces it, and finally the product is sold.

D) The manufacturing team sees a way to improve a product, the engineering team redesigns it, and finally the marketing team creates awareness about the improved product.

5) The benefits firms reap by locating in close geographical proximity to each other are known collectively as \_\_\_\_\_.

- A) **agglomeration economies**
- B) incubator economies
- C) virtual economies
- D) shadow economies

6) A radical innovation differs from an incremental innovation in that it refers to an innovation that:

- A) makes a relatively minor change from existing processes.
- B) **is very new and different from prior solutions.**
- C) seldom affects the overall configuration of the system.
- D) is typically competence enhancing as it builds on the firm's existing knowledge base.

7) Once a new product design becomes a dominant design:

- A) the product is no longer profitable.
- B) it becomes difficult for competitors to imitate.
- C) the architecture on which the industry can focus its efforts is destabilized.
- D) **the product design is adopted by the majority of producers.**

8) The more a technology is adopted, \_\_\_\_\_.

- A) the less valuable it becomes on account of market saturation
- B) the more susceptible it becomes to decreasing returns of adoption
- C) **the greater are the opportunities for development of complementary assets**
- D) the less possibilities for improvements are there in the technology and its applications

9) Clear Vision Inc. has been the market leader for vision care products such as eyeglasses and lenses. It has also recently developed the use of laser technology to correct eye defects. Because of its prior related experiences, it has been successful in recognizing the value of new information and using it to develop new technologies ahead of others. This phenomenon is called:

- A) **absorptive capacity.**
- B) disintermediation.
- C) technology determinism.
- D) technology retardation.

10) A new technology is most likely to be successful in displacing an existing technology when:

- A) its installed base is significantly less than that of the existing technology.
- B) the new technology competes only on the value of its stand-alone utility.
- C) **it eclipses the combined value of the existing technology's stand-alone utility, its installed base, and its complementary goods.**
- D) the new technology's perceived and anticipated components of value are lower than its actual components of value.

11) The degree to which a system's components can be separated and recombined is called \_\_\_\_\_.

- A) durability
- B) path dependency
- C) absorptive capacity
- D) modularity**

12) Breaking Ventures Inc. realized that most parents are worried about their teenage children going out on their own. Based on this information, the company developed a device that could be fixed into teenagers' cell phones through which parents could keep track of their children's location. This is referred to as the \_\_\_\_\_ to research and development.

- A) demand-pull approach**
- B) supply-push approach
- C) science-push approach
- D) research-pull approach

13) The first entrants to sell in a new product or service category are referred to as \_\_\_\_\_.

- A) pioneers**
- B) early leaders
- C) early followers
- D) laggards

14) To be considered an innovation, it has to be:

- A) new to the world
- B) objectively new
- C) new in the eye of the beholder**

15) Innovation always requires a radical flash of insight—a 'eureka!' moment.

- A) True
- B) False**

16) Which of the following statements is true of the different types of innovations?

- A) process innovations are more visible than product innovations.
- B) an innovation that was once considered radical may eventually be considered incremental as the knowledge base underlying the innovation becomes more common.**
- C) an innovation is considered a component innovation if it significantly affects the overall configuration of the system of which it is a component.
- D) architectural innovation is also called modular innovation.

17) Which of the following statements is true of component innovation?

**A) component innovation does not significantly affect the overall configuration of a system.**

B) component innovation is also called architectural innovation.

C) for a firm to initiate component innovation, knowledge about the whole system is necessary.

D) component innovations have more far-reaching and complex influences on industry competitors and technology users than architectural innovations.

\*\*\*Q17 was a bit dubious. My idea was that answer A should be the correct one, but I realize that it is possible to argue that a component (such as the electrical engine) de facto changes many things. Thus everyone has gotten 1 point for whatever they answered to this question.

18) As a result of the rapid pace of innovation:

**A) product life cycles have become shorter.**

B) product development cycles have become significantly longer.

C) market segmentation has reduced.

D) product obsolescence has slowed down.

**STUDENT NAME:** \_\_\_\_\_

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