

# **NATIONAL UNIVERSITY OF SCIENCE AND TECHNOLOGY**

**FACULTY OF COMMUNICATION AND INFORMATION SCIENCE  
DEPARTMENT OF JOURNALISM AND MEDIA STUDIES  
MEDIA ECONOMICS AND MANAGEMENT: (IJM 1203)  
MAY 2006 EXAMINATION  
TIME ALLOWED: 3 HOURS**

## **INSTRUCTIONS TO CANDIDATES**

1. Answer **any four** questions.
2. Start each answer on a new page.
3. Poor spelling and grammar will be penalised.

### **Question 1**

Imagine you are a media economics consultant and a potential media investor keen on starting a daily newspaper in Zimbabwe has asked you for advice. Outline the key issues that you will give as economic advice to the investor that will help him in launching a successful daily newspaper. Justifying your reasons, show whether it is economically viable to start a daily newspaper in Zimbabwe. **[25 marks]**

### **Question 2**

Show the extent to which the media in Zimbabwe have incorporated research and innovation to improve their products and market reach. **[25 marks]**

### **Question 3**

Discuss the extent to which the editorial thrust of a media company is closely entwined with the overall economic success of the media organization. **[25 marks]**

### **Question 4**

Define the following concepts and through relevant examples show how they apply to the media in Zimbabwe

- a) Price elasticity of demand **[ 5 marks]**
- b) Cross elasticity of demand **[ 5 marks]**
- c) Economies of scale **[ 5 marks]**
- d) Monopolistic competition **[10 marks]**

**TOTAL: [25 marks]**

**Question 5**

“When capital is directly invested in firms by individuals and other firms with accumulated capital, it is done with the desire to have the value of that capital increase through the profit and growth in the value of the firm in which it has been invested.” (Picard, 1989). Using the above statement show the extent to which it applies to media investment in Zimbabwe. **[25 marks]**

**Question 6**

“Governments should only intervene in the media market to enhance its performance and the public’s access to media products.” Discuss the validity of the above statement showing how intervention by government in Zimbabwe has affected the media market. **[25 marks]**