

Carnegie Mellon University in Qatar  
15390 - Spring 2018

Problem Set 1

**Out: January 14, 2018**

**Due: January 23, 2018**

## **Problem I [30 Points]**

This problem is about the dot-com bubble, a historic economic bubble that occurred in USA roughly from 1997 to 2001. Answer all the following questions very briefly (no answer should exceed 150 words). In addition, include all the sources that you relied upon to answer the questions.

- A. Define the dot-com bubble and discuss at least two reasons for its occurrence.
- B. Provide one example of a promising tech company that could not survive the dot-com bubble and discuss at least two reasons that led to its failure.
- C. Provide one example of a currently famous tech company that survived the dot-com bubble and discuss at least two reasons that made it recover from the bubble.

## **Problem II [20 Points]**

This problem is about Friendster and Facebook. Study these two cases and answer all the following questions very briefly. In addition, include all the sources that you relied upon to answer the questions.

- A. Why was Facebook able to prevail over Friendster, although Friendster was able to attract more than 115 million users by 2009? Your answer should not exceed 150 words.
- B. State at least two lessons that you have learned from the cases of Friendster and Facebook.

## **Problem III [20 Points]**

This problem is about Webvan and Instacart. Study these two cases and answer all the following questions very briefly. In addition, include all the sources that you relied upon to answer the questions.

- A. Why was Instacart able to succeed while Webvan went bankrupt in 2001? Your answer should not exceed 150 words.
- B. State at least two lessons that you have learned from studying the cases of Webvan and Instacart.

## Problem IV [15 Points]

This problem is about finding co-founders. Read the following four articles and discuss at least 5 characteristics that you look for in your co-founder(s). Your answer should not exceed 200 words.

- *Paul Graham*, "**What We Look for in Founders**",  
PaulGraham.com, October 2010,  
<http://www.paulgraham.com/founders.html>
- *Margaret Heffernan*, "**Want to Start a Business? First, Find a Partner**",  
Inc., May 9, 2012,  
<https://www.inc.com/margaret-heffernan/you-need-a-partner-to-start-a-business.html>
- *Pejman Pour-Moezzi*, "**How to Find that Special Someone: Your Co-Founder**",  
GeekWire, April 8, 2012,  
<https://www.geekwire.com/2012/find-special-cofounder/>
- *Helge Seetzen*, "**5 Rules for Cofounder Heaven**",  
TandemLaunch, March 27, 2012,  
<http://www.tandemlaunch.com/5-rules-for-cofounder-heaven/>

## Problem V [15 Points]

Start with a generic idea and segment it using the process discussed in class. Draw the full tree and try to come up with a specific idea. Subsequently, identify and discuss 2 market opportunities (or applications) for your idea (no need to build a market segmentation matrix for this problem).