# MODULE 4 UNIT 3

**Assignment:**

**Adding a token to an incumbent’s ecosystem**

Learning outcomes:

LO5: Discern the role of tokens in incentivizing the growth, operations and security of a platform.

LO6: Assess the ability of case examples to capitalize on the reduction in the cost of networking.

LO7: Recommend a reward system for an incumbent adding a token to its ecosystem.

### Name:

#### Instructions and guidelines (Read carefully)

##### Instructions

1. Insert your first and last names in the space provided above, as well as in the **file name.** Save the file as: **First name Last name M4 U3 Assignment – e.g., Zadie Smith M4 U3 Assignment**. **NB:** *Please ensure that you use the name that appears in your participant profile on the Online Campus.*

2. Write all your answers in this document. There is an instruction that says, “Start writing here” under the question. Please type your answer there.

3. Submit your assignment in **Microsoft Word only**. No other file types will be accepted.

4. **Do** **not delete the plagiarism declaration** or the **assignment instructions and guidelines**. They must remain in your assignment when you submit.

**PLEASE NOTE**: **Plagiarism cases will be investigated in line with the terms and conditions for participants.**

IMPORTANT NOTICE: Please ensure that you have checked the Online Campus for the due date for this assignment.

##### Guidelines

1. There are 4 pages and 1 question in this assignment.

2. Make sure that you have carefully read and fully understood the question before answering it. Answer the question fully but concisely and as directly as possible. Follow all specific instructions for individual parts of the question (e.g., “list”, “in point form”).

3. Answer the question in your own words. Do not copy any text from the video sets, readings or other sources. **The assignment must be your own work only.**

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| **Plagiarism declaration:** |
| **1. I know that plagiarism is wrong. Plagiarism is to use another’s work and pretend that it is one’s own.**  **2. This assignment is my own work.**  **3. I have not allowed, and will not allow, anyone to copy my work with the intention of passing it off as his or her own work.**  **4. I acknowledge that copying someone else’s assignment (or part of it) is wrong, and declare that my assignments are my own work.** |

Review guidelines:

Your assignment will be reviewed according to your description of the type of reward system the incumbent should introduce, your understanding of the organizational changes the incumbent may face, and the structure and logic of your writing. View the detailed rubric on the Online Campus.

### Question 1

Study the following fictional scenario:

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| **ACME Music:**  ACME Music is a music-streaming service that offers consumers access to Digital Rights Management (DRM) protected content via a mobile app. Users of the app can browse or search for songs and can create and share playlists with other users. ACME licenses content from record labels and other content owners in order to make that content available to its own users. It offers a freemium model which allows users to stream content for free with advertising. Alternatively, there is a premium service that charges a monthly subscription to access the content without advertisements.  ACME is now considering introducing a token, ACMEcoin, to its platform and using blockchain technology for some of the platform’s activities. |

Taking the above information into account, consider the following questions, assuming that ACME goes forward with its plan:

* How can the introduction of a token benefit ACME Music? Which activities are the most important to encourage?
* How could ACMEcoin be used on the ACME Music platform?
* Which activities will be rewarded?
* How will the token be redeemed, and what for?
* What are the risks of introducing these rewards?

Write a coherent and clear report that answers the questions above.

(400-800 words)

Note:

We highly recommend that you avoid disclosing any confidential information in your assignments. Although you are encouraged to draw on real-world experience during the program, we would urge you to use pseudonyms (false names) wherever possible. You are entirely responsible for ensuring that you do not disclose any information that is protected by confidentiality undertakings – we will ensure that all information is treated in accordance with our privacy policy.

Please read Section 4 of the Honor Code in the Orientation Module course handbook for more guidance.

Start writing here: