

Written Exam for the M.Sc. in Economics winter 2013-14

Telecommunications Economics

Final Exam

18.12.2013

(3-hour closed book exam)

Please note that the language used in your exam paper must correspond to the language of the title for which you registered during exam registration. I.e. if you registered for the English title of the course, you must write your exam paper in English. Likewise, if you registered for the Danish title of the course or if you registered for the English title which was followed by “eksamen på dansk” in brackets, you must write your exam paper in Danish.

This exam question consists of 2 pages in total

Answers are wanted for both questions.

A.

Present the concept of “Network Neutrality” and discuss the issues in relation to this concept, seen from the point of view of

- the Networks operators
- the OTT players (OTT = Over The Top, like Netflix or Skype)
- the sector specific telecom regulator
- the customers.

B.

Present how the competition legislation sets a framework for dominant companies in the telecommunication sector. As part of this, present and discuss the concepts of “predatory pricing”, “margin squeeze” and bundling. How does this regulation have an impact on price decisions in the telecommunication sector and on the long term profitability of the sector?