

Written Exam for the M.Sc. in Economics, Winter 2010/2011

Telecommunications Economics

Final Exam

18.02.2011

(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.

If you are in doubt about which title you registered for, please see the print of your exam registration from the students’ self-service system.

Answers are wanted for both questions.

A.

Explain how the regulation of the telecommunication sector is based both on general competition legislation and the so-called sector specific telecommunication regulation. Discuss the role of EU versus the national regulators. Present current issues that have to be solved by EU for the coming years regarding the regulation of interconnect conditions between networks.

B.

Discuss the statements about "Prices shall be in line with costs", which might be used both in regulatory policy and in business decisions regarding price issues. Define different cost concepts and different possible models for price schemes.