

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

Telecommunications Economics

Final Exam

15.12.2010

(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.

Describe the concepts of peering and transit used for interconnection of networks for the Internet. Explain the hierarchy with Internet Backbone Providers (IBPs) and Internet Service Providers (ISPs). Present analyses that show how prices for transit can be negotiated and illustrate especially the power in the market for the IBPs and ISPs.

B.

Describe the concept of "Ladder of Investments" and how it might be used in regulatory policy and in business strategy decisions. Explain "the ladder" both for fixed voice telephony and for broadband access.