Sample Questions For Final Exam

1. Discuss the recent mergers among major telecommunications services providers. Distinguish between RBOC mergers, IXC mergers, and other mergers. What incentives drive them in each case. What are the likely welfare implications of each merger?

2. Discuss the structure of the Internet backbone. What objections did USDOJ, the FCC and the European Union to the merger of MCI WorldCom and Sprint regarding the Internet backbone? What was MCI WorldCom’s response?

3. What are the main provisions of the Telecommunications Act of 1996 (“1996 Act”) regarding entry of competitors in the local exchange market? What are the new ways of entry that the 1996 Act introduces? At what prices? What is the appropriate measure of cost to be used in implementing the Act?

4. What are the main provisions of the 1996 Act regarding the potential entry of RBOCs into long distance service?

5. What does the Telecom Act of 1996 say about universal service? How should universal service be structured? How should the subsidy be raised?

6. What are the main issues in interconnection pricing among telecommunications companies?

7. Is there inequality in the market structure of network industries? Explain why. What role it play?

8. What is the strategic role of the per-processor license pricing scheme that Microsoft used before the 1995 consent decree?

9. What were the main allegations in the present case of United States against Microsoft?

10. What arguments have been proposed to explain the low price of Windows? Evaluate each.

11. What were the District Court's findings of fact and conclusions of law in the present case of United States against Microsoft?

12. What was the decision of the District Court on remedies in U.S. v. Microsoft. List other proposals for remedies. Evaluate all remedies proposals.