1. Explain the following techno-economic terms briefly (max 5 sentences per term).
   a. Consumer’s switching cost
   b. Superdistribution
   c. Long-run incremental cost
   d. Price discrimination
   e. Shapley value
   f. Consumer surplus

2. Explain Porter’s model for competition (“5 forces”) and apply it for analyzing the market position of a virtual mobile network operator.

3. Describe schematically the GRX-based charging model for roaming traffic between GPRS operators.

4. Explain the process of a simultaneous ascending auction.

5. The present value of a customer to an operator equals her switching cost. Assume that operator has a variable monthly cost of 10 EUR per customer. Further, it costs a customer 80 EUR to switch from one operator to another. Supposing a monthly interest rate of 2%, what is the equilibrium price setting for a monthly subscription. At equilibrium, operators are profitable and customers don’t have incentive to switch operators.