2 Economics, Law and Ethics (RJA)

(a) Describe the possible market failures affecting anti-virus software firms in the late 1980s and early 1990s, when viruses were a new threat to computer systems and dozens of firms started up to offer anti-virus software. [5 marks]

(b) Describe how the incentives facing anti-virus software firms had changed 10 years later once the industry had consolidated into a handful of large firms. How might this affect attacker behaviour? [5 marks]

(c) How will the incentives have changed in recent years with the spread of online banking and crypto currencies? [5 marks]

(d) How do you expect the anti-virus industry to change as computing shifts from PCs and laptops to phones and tablets? What about the impact of systems embedded in durable consumer goods such as cars? [5 marks]