

2 Economics, Law and Ethics (ah793)

You work for a consumer electronics company that dominates the market for mobile telephone handsets and operates an ‘app store’ for the distribution of mobile phone applications.

- (a) How does the market for mobile phone handsets differ from the market for mobile phone applications? [4 marks]
- (b) Why might a company providing hardware also start distributing applications? [6 marks]
- (c) How might the company price the mobile phone handsets and applications? Provide arguments for and against the available options. [10 marks]