

## Economics of the Internet

### EE/W1 (No.2E)

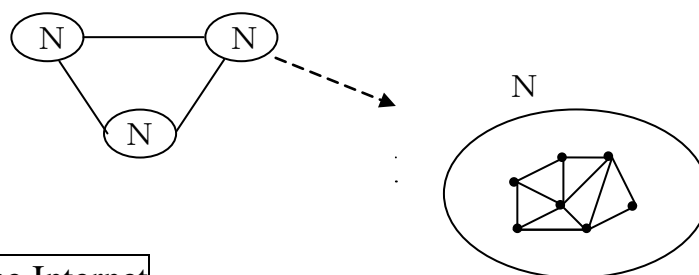
#### A. Outline

##### 1. Definitions

collection of digital networks

computers interconnected by communications media

##### 2. Technical terms



**The Internet**

Upper-case ( a pronoun)

##### 3. Internet viewed from a user

###### a. Access terminals

computers

mobile handset, TV, game terminal

connected to the Internet via communications media

###### b. ISP (Internet service providers)

access service for the Internet (with fees)

###### c. LAN (local area network)

network used in offices and schools

cost paid by an organization

Internet use in campus is “free to students”

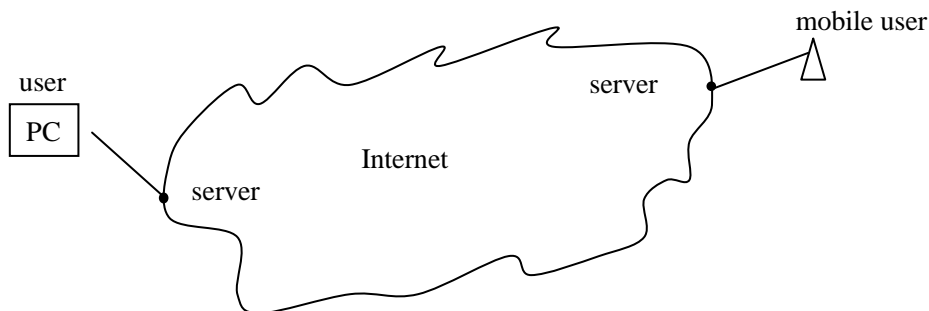
###### d. Internet services

(1) E-mail

(2) web (www)

{ documents (characters), images, voice and music,  
video images, smell (?) --- anything expressed in digital data

**e. Structure of the Internet**



**B. How does the Internet work?**

**1. Outline**

**a.** Internet is a collection of computers.

address attached to each computer

IP address

unique globally

terminals (for users)

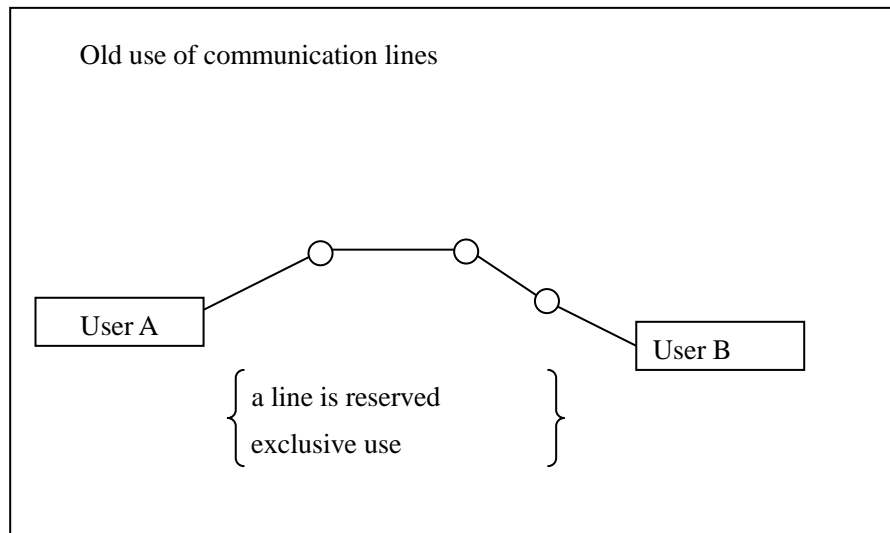
servers (for mail, web. etc.)

routers (for data transmission)

**b.** How is a message sent over the internet?

1. A user submits a message to the nearest server.

2. The message is sent from the server to a nearby router, which sends it to another router, and so on, so that the message will be delivered finally to a destination.



New use with packets : shared use (like streets, highways in transportation)

Old use(exclusive)	cost = 1,000	no congestion
Packet use (shared)	cost = 1	delay if congested
↓		
more efficient		
(example) telephone :	conventional telephone :	US-JAPAN ¥400 / 3 min
	IP-phone :	US-JAPAN ¥8 / 3 min.

## 2. Division of labor in the Internet

- (1) Division of labor is established in the Internet so as to perform each task efficiently.
- (2) Consequently, the cost of using Internet services is decreased significantly.

**C. The IP platform – the global engine for information transmission**

**1. Characteristics of information transmission over the Internet**

**a. Outline**

A system of routers (computers) interconnected in order to transmit and exchange IP-packets.

**b. Characteristics**

simple and easy task to each counter

a large-scale complicated task achieved by the system as a whole

**c. Sources of the efficiency**

**(1) Concentration and specialization**

Routers concentrate on sending and receiving IP-packet data only.

IP-packets may be transmitted over any media.

IP-packets may carry any content.

**(2) Operations**

Internet is composed of many networks.

IP-format and IP-addressing are the only rule to be observed.

Otherwise, member networks may operate freely except that the connection cost should be borne by a new-member network.

(the issue of the cost of cross-pacific connections)

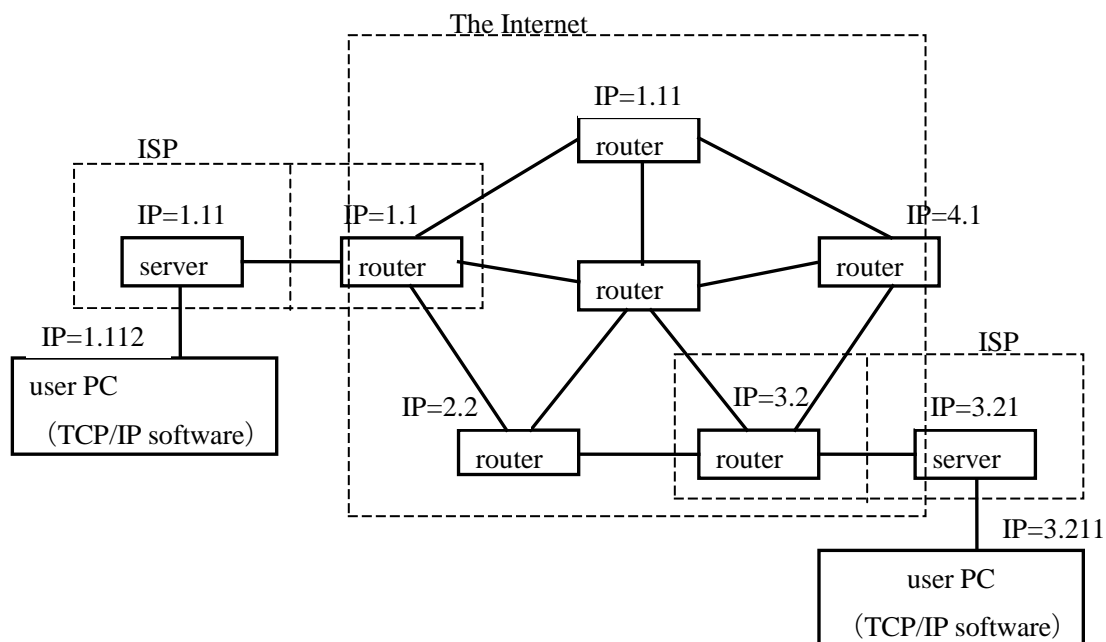


Figure. A simple IP-network

## 2. IP-address

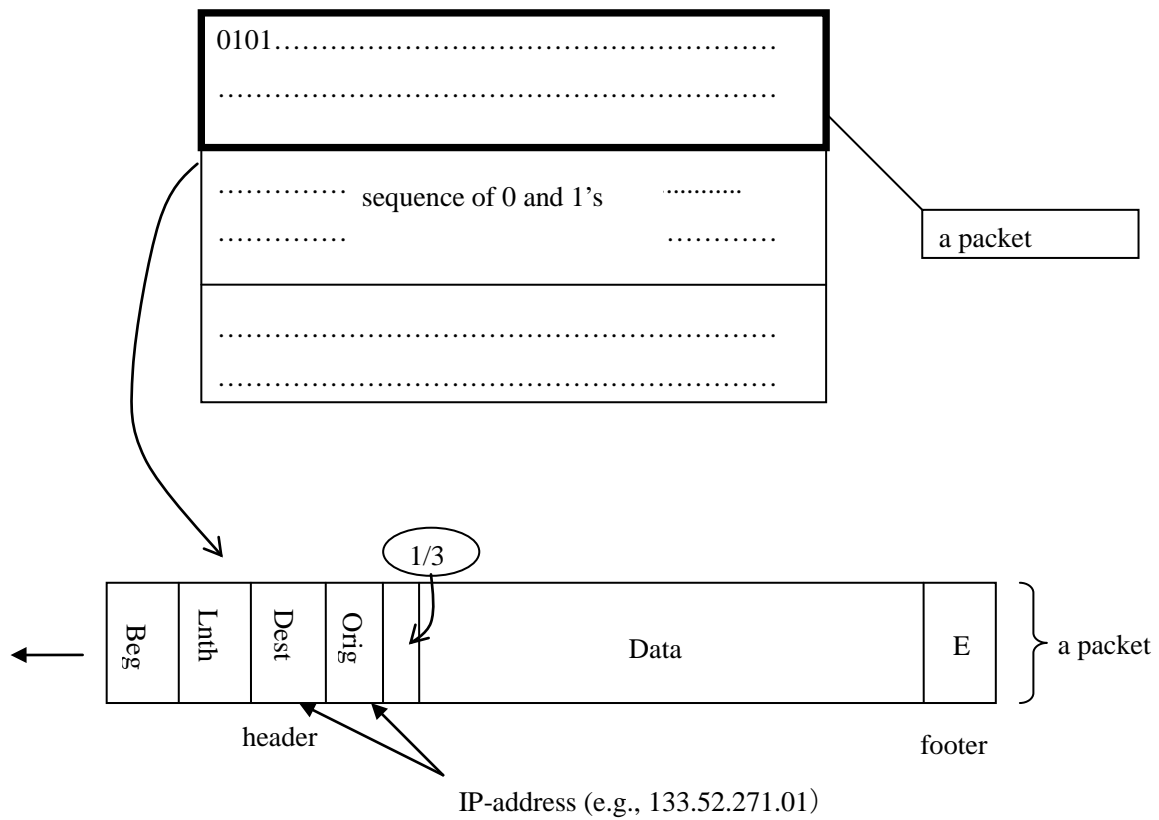
An address of a “number” of 32-bits (0 and 1’s) given to a computer. Every router, server, and user PC connected to the Internet must have a unique IP-address.

## 3. IP-packets

the standard in the internet

IP : Internet Protocol

example: a piece of music may be transformed into a few number of IP-packets



#### 4. Routers

Each router is interconnected to a number of routers. When a router A receives a packet from an interconnected router B, the router B transmits the packet to another interconnected router C which is located near to the destination of the packet.

## D. Internet Applications --- Mail and Web Systems

### 1. Domain-name system

#### a. Outline

domain name: an address for mail and web services

taro : user name  
osaka-gu.ac.jp : domain name  
taro@osaka-gu.ac.jp : mail address  
"at mark"

domain name : human friendly

(IP-address: OK to routers, not to human beings)

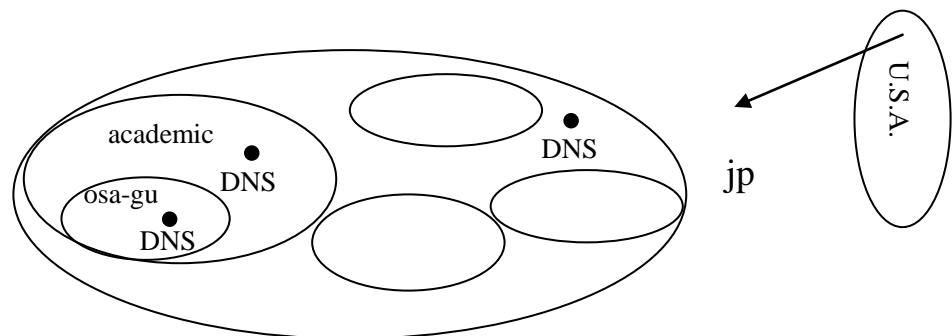
#### b. Domain-name servers (DNS)

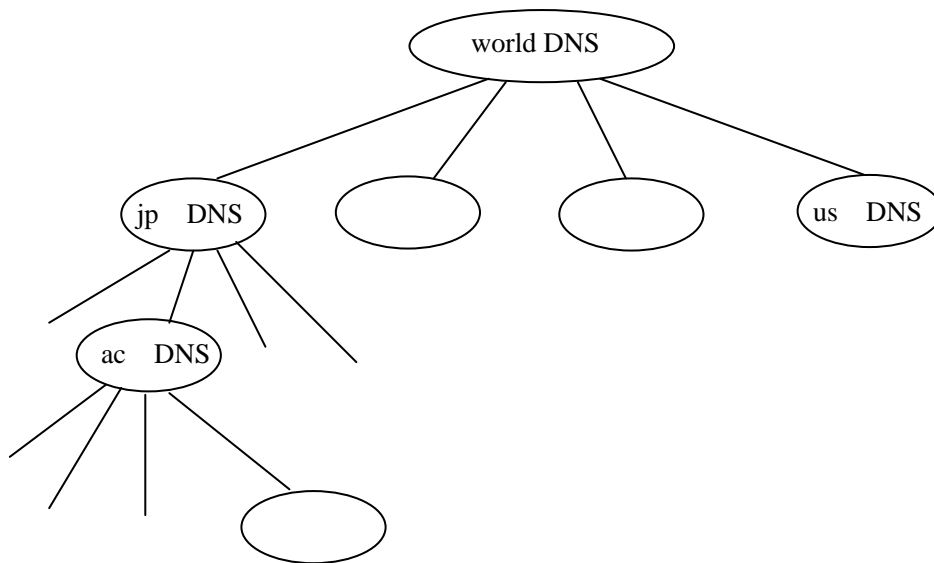
(1) Outline

Each network of the Internet should have a DNS.

abc@def.eg.jp ——— an address for sending a mail

What is the IP-address of a computer with the given domain name?





- (2) Inquiry to DNS
- (3) Assignment of domain names

## 2. Mail system

### a. Outline

The first application of the Internet.

Mail texts are sent in IP-packets to a destination specified by a domain name.

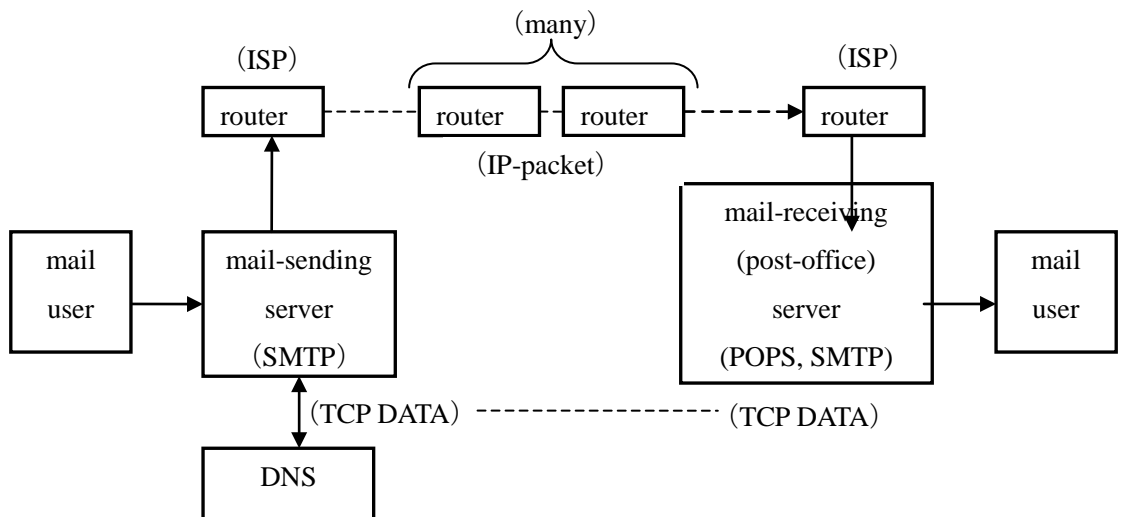


Figure: Sending a mail with mail servers and routers



**b. Mail addresses**

mail address = user name @ domain name

Ex. : t a r o @ u t s . o s a k a - g u . a c . j p

user name            domain name

(individual)        (students) (academic) (japan)

**2. Web System**

**a. Outline**

The second major application of the Internet. On receiving a request from a web user, the web server sends a copy of the requested file (web pages, characters, graphs, tables, musics, or video images) by putting it into one or more IP-packets. The user, receiving the file, reconstructs the original content on a terminal computer by means of a browser software (such as Internet Explorer).

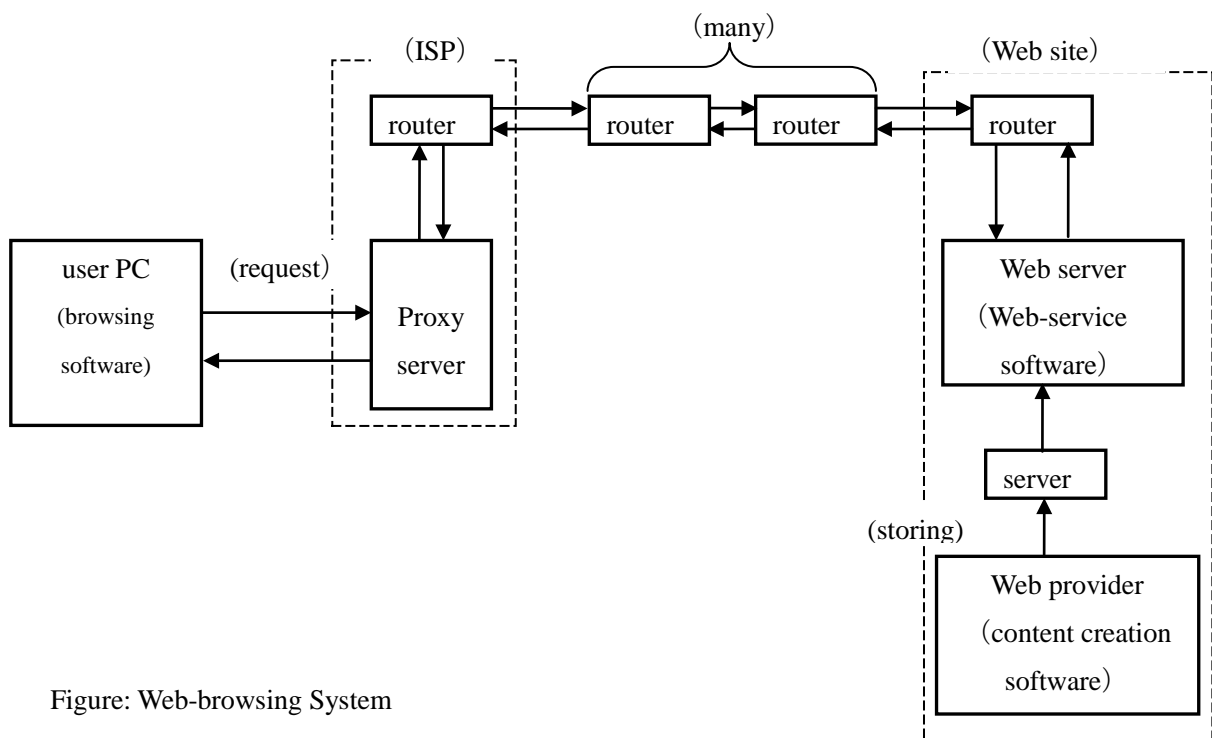
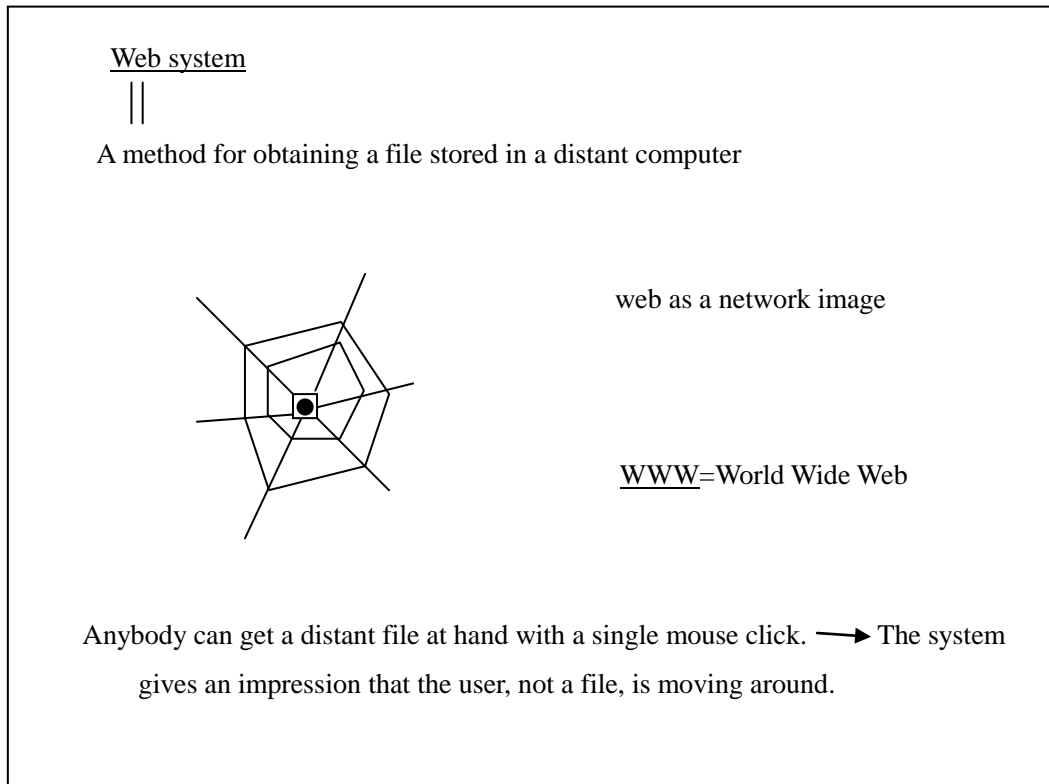


Figure: Web-browsing System