

Chapter – 4
E-Commerce
Questions with its Solutions

Question Pattern:

Very Short : 1 Mark Type

Short Q/A : 2 Marks Type

❖ **Answer the following questions in one sentence. [1 Mark Type]**

1. What is the business done through the internet?

Ans: The business done through the internet is known as e-commerce.

2. What is e-commerce?

Ans: Electronic Commerce (E-commerce) basically refers to electronic transactions such as buying, selling and exchanging of goods, services and information over a network such as the internet.

3. What is m-commerce?

Ans: Mobile commerce (m-commerce) is the process of buying and selling of goods and services through wireless handheld devices such as smartphones, tablets or personal digital assistants (PDAs).

4. Write the name of any two e-commerce companies in Nepal.

Ans: Any two e-commerce companies of Nepal are:

- a. Daraz
- b. HamroBazar

5. What is online payment?

Ans: An online payment system is a way of making transactions or paying for goods and services through an electronic medium, without the use of cheques or cash.

6. Mention the name of any two online payment companies in Nepal.

Ans: Any two online payment companies in Nepal are:

- a. E-sewa
- b. Khalti

❖ **Answer the following questions.** [2 Marks Type]

1. Define e-commerce. Write its importance.

Ans: Electronic Commerce (E-commerce) basically refers to electronic transactions such as buying, selling and exchanging of goods, services and information over a network such as internet.

Some of the importance of e-commerce are listed below:

- a. It helps to expand the brand due to its global reach.
- b. It helps to maintain transparency in business as online transactions are facilitated by payment gateways which are under the government supervision.

2. Define online payment with its example.

Ans: An online payment system is a way of making transactions or paying for goods and services through an electronic medium, without the use of cheques or cash. Online payment gateways work in a fast and safe way, by allowing consumers to pay directly using the internet.

Some examples of online payment systems are:

Esewa, Khalti, Ipay, PayWay

3. Define various ecommerce models with its example.

Ans: The various ecommerce models are:

- a. Business to Consumer (B2C)
- b. Business to Business (B2B)
- c. Consumer to Consumer (C2C)

a. Business to Consumer(B2C):

Business to consumer (B2C) is the most common ecommerce model. B2C establishes the electronic business relationships between a business organization (merchant) and final consumers (Customer).

Example: Amazon, eBay, Meta

b. Business to Business (B2B):

In this model, both buyers and sellers are business entities. It is a type of e-commerce in which transactions is done between a manufacturer and wholesaler, or between a wholesaler and retailer.

Example: Alibaba, Samsung, apple

c. Consumer to Consumer(C2C):

C2C represents a market environment where one customer purchase goods from another customer using a third-party business or platform to facilitate the transaction.

Example: Hamrobazar, OLX

4. Write any two advantages and two disadvantages of B2C model.

Ans: Any two advantages B2C model are:

- a. Lower cost of doing business as it can be set up within minimum investment.
- b. More efficient business relationship as a direct relationship between business house and consumer can be maintained.

Any two disadvantages of B2C model are:

- a. High competition can drive prices down, which can lead to lower profits for businesses.
- b. Transactional and personal data from website can be hacked by a lot of cybercriminals.

5. Define NG e-commerce with its services.

Ans: Next Generation(NG) e-commerce which also refers to the m-commerce (mobile commerce) is the extended version of e-commerce. It refers to the process of buying and selling of goods and services through wireless handheld devices such as smartphones, tablets or personal digital assistants (PDAs).

Some of the services of NG-e-commerce are:

- a. Mobile ticketing
- b. Mobile banking
- c. Mobile marketing and advertising

6. What is m-commerce? Write its two advantages.

Ans: It refers to the process of buying and selling of goods and services through wireless handheld devices such as smartphones, tablets or personal digital assistants (PDAs). Any two advantages of m-commerce are:

- a. It creates a global customer base due to its easy accessibility.
- b. It allows to scale a business very quickly.

7. Differentiate between B2B and B2C.

Ans: Differentiate between B2B and B2C are described below in a tabular format:

B2B (Business to Business)	B2C (Business to Consumer)
It is a type of e-commerce model which is established between two or more than two organizations.	It is a type of e-commerce model which is established between the business organization and consumer.
It has high value and high volume per order.	It has low volume per order and high frequency of buying goods.

8. Differentiate between traditional commerce and e-commerce.

Ans: Differentiate between traditional commerce and e-commerce are described below in tabular format:

Traditional Commerce	E-Commerce
Traditional commerce is a branch of trade, which concentrates on the exchange of goods physically.	E-commerce means exchange of goods and services on the internet through commercial transactions.
Its accessibility is limited.	It's accessibility is 24/7 .
Delivery of products is more reliable and instant.	Delivery of products takes some time.