CONFIDENTIAL

Infrastructure University Kuala Lumpur

FINAL EXAMINATION
MARCH SEMESTER 2014

BACHELOR OF COMPUTER SCIENCE (HONS)
BACHELOR OF INFORMATION TECHNOLOGY (HONS) IN SOFTWARE ENGINEERING
BACHELOR OF BUSINESS ADMINISTRATION (HONS) IN E-COMMERCE
BACHELOR OF BUSINESS ADMINISTRATION (HONS)
BACHELOR OF ACCOUNTANCY (HONS)

INTRODUCTION TO E-COMMERCE
(BTT 110)

(TIME : 3 HOURS)

MATRIC NO. : | | | | | | | | | |

IC. / PASSPORT NO. : | | | | | | | | | | | | | |

LECTURER : **SUHAILA BINTI SARDI**

GENERAL INSTRUCTIONS

1. This question booklet consists of 11 printed pages including this page.
2. Answer **ALL questions** in the **ANSWER BOOKLET**

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INSTRUCTIONS: **TIME: 3 *HOURS***

SECTION A **(50 Marks)**

There are SIX (6) questions in this section. Answer ALL Questions in the Answer Booklet.

1. Compare private e-marketplace and public e-marketplace for the following criteria

(8 marks)

Criteria	Private E-marketplace	Public E-marketplace
Number of buyer and seller.		
Requires pre-existing relationship between buyer and seller requirement.		
Membership		
Privilege to members		

2. List the THREE(3) types of e-marketplace.

(3 Marks)

3. a) What are the THREE(3) major intrabusiness e-commerce categories?

(3 Marks)

b) Describe the activity that usually involved in intrabusiness e-commerce.

(2 Marks)

4. Briefly explain the concept of disintermediation and reintermediation.

(2 Marks)

5. List FOUR(4) protection covered by intellectual property.

(4 Marks)

6. List FOUR(4) categories of e-government.

(4 Marks)

7. Identify FOUR(4) key participants in processing credit card payments online.

(4 Marks)

8. a) List FOUR(4) areas that can be improvised through the implementation of e-commerce in travel and tourism industry.

(4 Marks)

b) Draw the flow of information (flowchart) that translates the "***inter-organizational reservation systems***" involving airplane booking company, a hotel chain and car rental company.

(16 Marks)

SECTION B **(50 MARKS)**

Answer TWO(2) questions in the Answer Booklet.

1. Answer all questions based on the following journal.

ELECTRONIC COMMERCE in TOURISM: A CASE of AKDENIZ UNIVERSITY-TURKEY

Ahmet AKTAŞ
Akdeniz University Alanya Faculty of Business Antalya, Turkey
Seden ALGÜR Akdeniz
University Institute of Social Sciences Tourism and Hotel Management Antalya, Turkey
Funda CENGİZ
Akdeniz University Alanya Faculty of BusinessAntalya, Turkeye

ABSTRACT

Todays, internet technology is used in tourism sector as such in other sectors. Some management prefer to be close to their customers and to have direct relationship with them while some other managements aims to develop detail customer databases to have benefits from direct or indirect marketing. On the customer side, the attitude against this progress is much more different. This people show positive attitude to electronic tourism and perceive the advantages of the electronic tourism easily. Taking this as a starting point, this study aims to determine the levels of preference of the customers about "online reservation web sites" which are formed as a result of using internet widespread by tourism managements. Consequently, in this study it is practiced to determine the demographic features between academicians who do shopping online and who do not do shopping online, the demographic features between academicians who use online reservation web sites and who do not use in Mediterranean University and opinions of the people who use online reservation sites.

Key Words: Online reservation, Internet

INTRODUCTION

As Granic and Lamey indicated although internet can be defined as a global network that connects millions of computer with their hardware and software tools, it combines much more than huge cables, telephone lines, satellites and fiber optic connections. Internet mainly consists of millions of people who use internet for different reasons and coming from blood and flesh, various beliefs and values coming from different ethnicities with changing technologic sophistication levels (Bostanci Ege, 2005:177). In 1945, doing millions of process on keyboard takes one month to complete and costs a thousand dollar. In 1970, computers do one million process in almost half second for less than six cents. In 1980, one million process is about to complete in1/10 seconds for a cost of 1/10 cent (Tarcan et al, 2005:3).

ELECTRONIC COMMERCE

Electronic commerce can be simply described as commerce that is done by electronic tools such as phone, fax and especially internet. (Dolanbay, 2000:33). Prices in some online catalogs can even be lower than price list in retails and prices in traditional outlets. The success of electronic commerce is depending on both financial and non-financial factors. Taxes, shipment, shopping

and return expenses are playing important role informing the electronic commerce. (Hanson, 1999:368). It is predicted that there will be 20 million new job opportunities within European Union until 2010 about e-commerce related subjects. When these examples and statement are observed the importance of e-commerce in global world can be better understood (Sarisakal and Aydın, 2003:84). Electronic commerce is classified in different ways although used technologies and applications are similar for many sides. Electronic commerce that is evaluated in two different types which are inter facilities and from facility to consumers can be classified into nine groups if the government is included into interaction. Quartet classification is accepted in Eupean standards (Erdem and Efioğlu, 2002:5):

1. Business to business – B2B
2. Busness to consumer – B2C
3. Business to government – B2G
4. Consumer to government – C2G

Business to business, inter facilities electronic commerce is the system that makes electronic process possible between two facilities. When two businesses interact like this, they both benefits from short interaction time, lower manufacture cost and other advantages (Bulut, Öngören and Engin, 2006:154). B2B operations contain %80-90 of volume of e-commerce operational (Garanti Bank, 2005:19). Business to consumer e-commerce operations means carrying out commercial relationships and operations between facility and customer through World Wide Web. Aim is to sell and market the services (Oral, 2002:201). Among e-commerce segments, B2C is first to develop due to relatively simple structure. The main innovation that B2C provide is taking part of internet web sites instead of paper catalogs. Customers can easily order products from manufacturer or retails through B2C web sites (Aydemir, 2004:25). That B2C application is preferred mainly by web portal which do sale on the internet and online shopping centers is well–known. At this point, it is absolutely clear that online reservation web sites are the fastest developed area among other areas in tourism sector. It is also predicted that the reservations which will be done on the internet will be 50% of overall hotel reservations in the following years (Wong and Law, 2005:311). Since travel purchase in electronic environment has started to earn much more than other e-commerce areas, travel and tourism agencies become more passionate to reach new markets by m-commerce (mobile commerce) and t-commerce (interactive TV)(Travel and Tourism Analyst, 2001:50).

INTERNET USAGE IN TOURISM

Marketing in internet is a kind of direct marketing. While the productivity of the facility increases because the cost of forming effective relationship with target people in mass marketing is much more than online marketing which is open to everybody who uses internet, interactive in marketing actions increases effectiveness of the facility (Korkmaz, 2006:19). On internet, some products can be produced digitally, mediators disappear for some products and services, low price opportunities increase because of lower cost, advertisement, sale promotion and presentation can be done, the importance of the salesman decreases relatively. In brief, most of the marketing efforts move to internet environment (Aksoy(a), 2006:7). Internet is a cost and time effective platform that information regarding to destinations, product and services can be transmitted to customers directly (Burger et al, 1997:180). Internet provides possibility for customers to get information and make reservation from their houses or offices whenever they want by not going to any travel agencies. A customer can buy desired product or vacation and pay by a credit card on the internet (Korn,1999:32). According to a survey that is done by Türsab

(2003:3), internet technologies are mainly used for tour programs by travel agencies as marketing tool. In the same survey, 18 travel agencies which organize and/or sell package tour point out that they reach 27 over 100 customers by their web sites or electronic mail.

In today's world, the changing triggered by globalization and particularly information technology affects the customers. Touristic consumers take advantage of opportunities coming from information technologies, and expect to have good products and services in return for their money and time spent. That time deficiency problem of individuals in modern countries forces touristic consumers to use information technologies and internet to reach reliable and true information, and to make their reservation on time. Touristic consumers can choose the most appropriate product for their expectation by getting detail information about products while the usage of information technologies in tourism industry is shaped by sophisticated and developing tourism demand, it also makes possible for touristic consumers to choose personalized touristic products (Buhalis, 2001:74). Companies use internet as a tool for providing information, realizing advertisement, sale and delivery of products and services. At the same time, internet supplies up-to-date information about prices to the customers who generally avoid traditional hierarchical delivery channels while making reservation. This kind of customers is called "tele-tourist" and forms a beneficial market (Murphy,Olaru, Schegg and Frey, 2003:72). Customer was making their reservations by calling free charged telephones and making conversation with reservation officer short time ago. However, as a result of considerable development in information technologies and that hotels have started to take customer's desire and preference into account, reservation by telephone is accepted to be old fashioned system for sharing a place in the market. Internet can be briefly defined as a network that connects computers in the world (Hotel and Motel, 2006:47). According to an e-commerce company called Forrester Research, report, customers who spend money on internet uses 1 over 3 of this money for holiday reservation in Europe.

Source:
http://www.academia.edu/1110377/ELECTRONIC_COMMERCE_in_TOURISM_A_CASE_of_AKDENIZ_UNIVERSITY-TURKEY

a) What is the fastest developed area among other areas in tourism sector?

(1 Mark)

b) List FOUR(4) reasons why the travel and tourism companies prefer to have an online platform to manage their business.

(4 Marks)

c) What are the TWO(2) possible benefits that the businesses will enjoy when they involve in Business to Business collaboration?

(2 Marks)

d) Identify FIVE(5) possible ways how the internet benefits touristic consumers?

(5 Marks)

e) The success of electronic commerce is depending on both financial and non-financial factors. List FOUR(4) financial factors.

(4 Marks)

f) The main innovation that B2C provide is taking part of internet web sites instead of paper catalogs. Identify FOUR(4) of the online catalog features that benefit the businesses when using online catalog to display their product.

(4 Marks)

g) How have the unique features of e-commerce technology changed industry structure in the travel business?

(5 Marks)

2. Answer all questions based on the following journal.

Malaysian E-government: Issues and Challenges in Public Administration

Razlini Mohd Ramli+
Department of Politics, Philosophy & Religion, Lancaster University, UK
DOI: 10.7763/IPEDR. 2012. V48. 5

ABSTRACT.

E-government has become part and parcel of every government's agenda. Many governments have embraced its significant impacts and influences on governmental operations. As the technology mantra has become more ubiquitous, so government have decided to inaugurate e-government policy in its agencies and departments in order to enhance the quality of services, better transparency and greater accountability. As for Malaysia, the government is inspired by the wave of the e-government, as its establishment can improve the quality of public service delivery, and also its internal operations. This qualitative study will explore the status implementation of e-government initiatives as a case study, and will also provide a comparative evaluation of these findings, using the South Korean government as a benchmark study, given its outstanding performance in e-government. The findings of this study will highlight potential areas for improvement in relation to the public administration perspective and from this comparative approach too, Malaysia can learn some lessons from South Korea's practices to ensure the success of e-government projects.

Keywords: E-government, Public administration, Public service delivery.

1. Introduction

E-government has emerged as a popular catchphrase in the world of public administration. The astronomical growth of its movement has urged all governments in the world to adopt the idea of e-government as a solution to reform the way in which governments work, both internally and externally. As far as Malaysia is concerned, the implementation of e-government was initiated through the introduction of the Malaysia Super Corridor (MSC) in 1996, which promised boundless benefits to citizens, businesses and the edifice of the government itself (Muhamad Rais & Nazariah 2003, Abdul Karim & Mohd Khalid 2003).

The Malaysian government believed that embracing the notion of e-government could improve the quality of public service delivery, making it more efficient and effective, and also helping to reinvigorate the relationship between the government, its citizens and businesses. In short, the utilisation of technology will have a massive impact on government administration, and will be an engine to drive Malaysia towards a knowledge-based economy and society. Under the aegis of the MSC, e-government is listed as one of its flagships. E-syariah, e-land and pemudah are amongst of the e-government initiatives and applications that are led by different governmental agencies. The emergence of the e-government is believed by Silcock (2001) to be able to transform government administration to be more responsive, open and cleaner, especially within the realm of public administration, and notably in the domain of service delivery; for Homburg (2008), however, this is somewhat overstated and overly simplistic. Noteworthy here is the extent to which the e-government changes its public administration, and on how smart machines interact with the norms and values of public administration. What are the issues and challenges that arise

in the execution of the process that can form a major impediment to the effectiveness of the government policy? In this paper, the author will look at three e-government initiatives in Malaysia as a case study, namely E-syariah, e-land and pemudah, which facilitate relations with Government to Government (G2G), Government to Citizen (G2C) and Government to Business (G2B) respectively. And a comparative evaluation with South Korea will be drawn as an e-government benchmark.

2. Implementation Status of E-government Projects in Malaysia

As previously mentioned, this paper will examine three e-government projects in Malaysia, namely esyariah, e-land and pemudah (e-business). The details and status of the project implementation are discussed below:

2.1. E-syariah

E-syariah was introduced in March 2002 as a flagship e-government initiative aiming to enhance the quality of services in the Malaysian Syariah Court through electronic means (MAMPU 2009). It enables the court to conduct its management and administration in a more sophisticated way by maximising the use of ICT. In the past, the Syariah court, which has jurisdiction only over matters involving Muslims, the majority population in Malaysia, has always seemed to be an out dated institution, both inefficient and incompetent in the public eyes. The services were slow and also delays in the disposition of Syariah court cases. This contributed to the number of redundant cases every year. Therefore, to uphold the splendours of the Syariah court, e-syariah has been seen as a solution to enhancing the quality and efficiency of public service delivery through the use of ICT. The project comprises various modules, including Syariah Court Case Management System, Syariah Lawyers Registration System, e-syariah Portal, Library Management System and Office Automation System (MAMPU 2009).

Overall, it may be noted that e-syariah has had remarkable success in its implementation, although there have been some difficulties in the early phase of its operation. As far as the system is concerned, the efficacy of e-syariah as an e-government application hinges on several aspects, for instance leadership and environment factors. Most civil servants in the Syariah court administration agreed that the Chief Justice at that time was very committed and positive as to the proposition of ICT development in the Syariah court, although there was some opposition to the proposed changes. Having a strong and determined leader has assisted the Malaysian government's mission in reforming and revamping the Syariah court administration and management, in order to enhance the quality of public service delivery. Besides this, global technological advancement has been booming, with governments adopting and embracing the idea of e-government. However, the current challenge that the system is currently facing is that of online payment, where they need to deal with third parties which is bank on management charges issue. As religion is a state matter, the federal government does not have power to force the states to pay service charges to the bank if they refuse. This problem is related to the legislation issues.

2.2. E-land

E-Land is a further flagship of e-government, and was initiated by the Ministry of Natural Resources and Environment (MAMPU 2009). It is monitored by MAMPU, and aims to develop an integrated, comprehensive and user-friendly land management and administration system to enhance the speed and quality of public service delivery. Until a few years ago, land dealings

were still conducted in a conventional manner, which caused many repetitive complaints and dissatisfaction from citizens, such as red tape, corruption, rigid procedures and too much bureaucracy (The Star 2007). For example, there were still about RM 1.73 million on outstanding land charges, including registration and strata titles in Peninsular Malaysia, as well as RM 1.2 billion on unsettled revenue until 15 March 2008. In this case, the maladministration of land management and administration tarnished the government's reputation amongst foreign investors, businesses communities and the public. Therefore, in order to eradicate these problems, the government has sought to apply ICT to land administration, and *e-land* was introduced in 2005. As digital technology has increasingly come to be recognised by the law through the introduction of the Sixteen Schedule of the National Land Code (NLC) 1965, the Electronic Land Management System, e-land, is believed to be able to enhance the transparency of land administration, as well as to modernise the administration and management of land offices throughout Peninsular Malaysia (MAMPU 2011).

Overall, the implementation of e-land in Penang has made a huge impact on the quality of public service delivery (Berita Harian 2009). An impact research was carried out in 2010 amongst the public, users (public officials) and land administration in Penang in order to evaluate the effectiveness of the e-land project. The public realise that by dealing with the e-land system, the service is much better and more efficient. Indeed, it has been proved that the land tax via online payment has increased year to year. Although public officials have been very reluctant to adopt the system, they admit that it can enhance the transparency and integrity of land administration in Penang. Meanwhile, as for land administration and organisation, it has succeeded in modernising land management through a new technology infrastructure and facilities in the office, whilst it also provides appropriate training to government servants regarding ICT skills. On the other hand, there is a requirement for an expert in ICT and land law to ensure the success of this project. In addition, maintenance
cost is high and an inadequate budget has become a major problem that can impede e-government services.

2.3. Pemudah

Pemudah is a short form for the Special Task Force to Facilitate Business, which was set up on 17 February 2007. It comprises representatives from both the public and private sector, and has the aim of supporting Malaysia's transition towards a knowledge driven economy (PEMUDAH 2009). Pemudah was given the task of addressing areas related to the business environment, and also providing a catalyst for change in placing Malaysia in the top 10 of the World Bank Ease of Doing Business (EoDB) (PEMUDAH 2010, New Straits Times 2008). By addressing each area highlighted in the EoDB Report, respective ministries/agencies/departments were challenged to improve their processes and procedures. Faster, Easier and Cheaper was the mantra for all related agencies to further enhance their Standard Operating Procedures (SOP). Among the initiatives undertaken in the area of online services developed under Pemudah have been the Business Licensing Electronic Support System (BLESS), Malaysia Corporate Identity Number (MyCoID), One Stop Centre (OSC) Online for Building Plans and e-Payment facilities (PEMUDAH 2009).

In the early stages of its implementation, there were some major challenges and issues faced by Pemudah, such as limited integration. Most online systems were developed in silos, thus creating problems for integration with existing systems in other agencies. Besides this, different working practices and SOP by different agencies and authorities due to state regulations also hampered the successful implementation of the system. Practising different sets of procedures has resulted in

complications in implementing the projects. The challenge that Pemudah will face, now and in the future, is to maintain the improvements made and to
start to explore new areas in ensuring business can be done easier, faster and cheaper.

3. Comparison with South Korean Government

The South Korean government has shown that that the deployment of technology is able to reform and modernise its public sector in meeting citizens and businesses' needs, without the limitation of time and space (Sprano & Zakak 2000). It is evident that South Korea's policy of e-government has been fruitfully implemented. This is supported through the evidence of several reports and studies done by well-known institutions and organisation (United Nations 2005, West 2007). Furthermore, it has become one of the world's leading e-governments, which maximises the utilization of Information Technology, so as to provide more efficient, quality public services that surpass the United States, Singapore and other developed countries (Ovum 2009).

One of the key factors that make South Korean government successful in implementing the e-government is having a high-quality ICT infrastructure. The government has invested seriously in this matter, approximately around USD 8.6 billion from the Informatization Promotion Fund (Suh J 2006). By having an information-efficient infrastructure, many areas, including rural and far flung areas in the country, are able to access high-speed broadband networks through fibre-optic cables (Chen & Suh 2006). Hence, citizens can easily conduct their businesses and interact with governmental bodies online (Homburg 2008).

Building a modern, high quality ICT infrastructure has been a priority task for the South Korean government in developing the ICT industry and enhancing e-government effectiveness. Besides this, in order to support its e-government policy, the government has enacted a series of laws to ease the implementation process (Relyea 2002). While the South Korean government undertook efforts to ensure a market-conducive environment, the government's role has also contributed to the success of e-government. Not only did the government need to have proactive and effective leadership, but it also needed to show its strong commitment to digital policy by supporting and providing a favourable environment that is able to foster and sustain such a transformation.

Moreover, the key to success in this e-government vision came from the Korean people, namely the citizens and the South Korean public officials. In short, the success of e-government implementation was determined by the engagement of the Korean people themselves. It depended on their attitudes towards accepting technology, albeit there were some deficiencies such as the misuse of technology and the reluctance to change amongst public officials. However, reforming working methods and habits is no easy task, because to change the organizational culture is tough, challenging and highly time-consuming. Hence,
21 technology and organization are not separate domains (Mackenzie & Wajcman 1985). Technology itself must be incorporated into the organization, so as to enable a mutual relationship between them.

By and large, although the South Korean government has made these advances, it needs to improve in several areas of e-government values, and to increase its efforts to sustain and maintain the system. For instance, investing heavily in R&D to keep pace with technological changes is needed, or else the implementation of the digital government will be ineffective, and will waste taxpayers' money. Nonetheless, the reform plans and the achievements so far that have been made by the South Korean government have demonstrated its maturity in terms of e-

government policy, and can thus serve as a benchmark for other developing nations, especially Malaysia, to follow and learn lessons from the South Korean government practise.

a) Based on the abstract, list THREE(3) reasons why the government has decided to inaugurate e-government policy in its agencies and departments.

(3 Marks)

b) From the Malaysian government perspective, how the e-government practice could bring a massive impact on government administration?

(5 Marks)

c) Identify FOUR(4) limitation of conventional Syariah court management system.

(4 Marks)

d) What are the consequences of handling land management and administration system through conventional manner?

(5 Marks)

e) Based on Pemudah experience, identify THREE(3) common limitations of the implementation of online platform. Explain.

(6 Marks)

f) What is the most important factor that enables the citizen easily conduct their businesses and interact with governmental bodies online according to Chen & Suh (2006)? Why?

(2 Marks)

***** END OF QUESTIONS *****