CSC1012\_Pawan Rai

SECTION A

1.

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A credit card is a thin rectangular piece of plastic or metal issued by a bank or financial services company, that allows cardholders to borrow funds with which to pay for goods and services with merchants that accept cards for payment.

A lot of things happen between the time you swipe your credit card and sign the credit card slip. Everything that happens behind the scenes makes it possible for you to make purchases with your credit card instead of having to go to the bank every time you want to spend money from your credit limit.

A few people/entities are involved in each credit card transaction:

The customer who presents the credit card for payment.

The merchant sells you goods or services.

The merchant's bank sends credit card transactions for approval.

The credit card payment network is a liaison between the merchant bank and the credit card issuer.

The credit card issuer approves and pays transactions.

## Swipe Your Credit Card for Approval

You present your card for payment by swiping your credit card through the payment terminal. The payment terminal communicates with the merchant bank to ask whether you can make the credit card purchase.

## Credit Card Authorization

The merchant bank contacts the appropriate credit card network (Visa, Mastercard, American Express, or Discover) to get authorization for the credit card purchase. Then, the payment network contacts the credit card issuer to make sure the credit card is valid and there's enough available credit for the transaction.

The credit card issuer sends back an authorization code for the transaction. If your credit card is declined, you won't get a reason at the point of sale, just a message that the card was declined. You'll have to contact your card issuer directly to find out why your card was declined.

## Credit Card Approval

The merchant bank sends the approval message for your credit card purchase, the receipt prints, you sign, and you can leave with your purchase.

When you sign the receipt and leave the store with your purchase, your credit card has only been authorized for the payment. The merchant hasn’t actually been paid and your credit card hasn’t been charged. If you check your credit card online right after you’ve made a purchase, the payment probably hasn’t shown up in your transaction list just yet.

## Batch Processing

At the end of the day, the merchant prints a list of all the credit card transactions that have been made that day and sends them to their bank. The merchant’s bank then sends the transactions to the appropriate payment network for processing.

## The Credit Card Issuer Sends Payment

The credit card network lets each credit card issuer know what payments are due. The credit card issuer keeps a fee, the interchange fee, as part of its agreement with the merchant. Credit card issuers share the interchange fee with credit card networks. Since American Express and Discover are both the credit card network and the credit card issuer, they get to keep a higher percentage of the fee.

## The Merchant Gets Paid

The credit card network sends payment to the merchant bank who collects its own fee before depositing the credit card charges in the merchant's account.

## The Credit Card Issuer Bills You

Each month, the credit card issuer sends a bill for the charges you made during the month. Then, you pay some or all the charges. If you choose to pay only a portion of the charges, you'll pay interest on the amount that you don't pay. The credit card issuer uses the money and interest you pay to pay merchants as new transactions are made.

2.

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Business-to-business (B2B), also called B-to-B, is a form of transaction between businesses, such as one involving a manufacturer and wholesaler, or a wholesaler and a retailer.

The basic types of B2B transactions and activities are

* Sell-side: one seller to many buyers.
* Buy-side: one buyer from many sellers.
* Exchanges: Many sellers to many buyers.
* Supply chain improvements and collaborative commerce: including additional activities such as, communicating, sharing information for joint design.

One-to-Many and Many-to-One: Private E-Marketplaces

* company-centric EC

E-commerce that focuses on a single company’s buying needs (many-to-one, or buy-side) or selling needs (one-to-many, or sell-side)

Example

1-A pharmacy buys a medications from different online drug companies .

2-Heinz selling ketchup to the fast food restaurants

Many-to-Many: Exchanges

* exchanges (trading communities or trading exchanges)

Many-to-many e-marketplaces, usually owned and run by a third party or a consortium, in which many buyers and many sellers meet electronically to trade with each other

* public e-marketplaces

Third-party exchanges open to all interested parties (sellers and buyers)

Supply Chain Improvers and Collaborative Commerce

* B2B commerce is conducted directly by customer and manufacturer OR through online intermediary.
* online intermediary

An online third party that brokers a transaction online between a buyer and a seller; may be virtual or click-and-mortar

3.

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Patent, copyright and trademark law all fall under the umbrella of intellectual property, which protects different elements of your business, such as your name, logo and inventions.

Patents are designed to protect the commercial use of inventors’ creations from others. Trademarks, on the other hand, are designed to protect the names, products, services and/or logos that are used to identify and distinguish goods and services.

Patent and trademark laws do not overlap, though there are situations in which a product design is protected by both patent and trademark law. A product that is protected under patent law may also be protected under trademark if it is used to distinguish and identify the product from competitors. For example, a company that manufacturers musical instruments may patent a unique guitar design and trademark it as a distinguisher of that particular product in the marketplace.

The main difference between patents and copyrights is that patents are associated with inventions that are useful, whereas copyrights protect creations that are artistic. For example, an inventor can patent a new type of camera, whereas a photographer using that camera can copyright the photographs they take with it.

Design patents or patents that protect the ornamental design of a product can overlap with copyright law when functional objects have a distinctive appearance, like in the case of a distinctive piece of pottery.

While copyright laws protect original works of authorship, such as novels, music and works of art, they do not protect names, phrases or logos. Rather, those elements are protected under trademark laws. Usually, copyright and trademark do not overlap, but they can be used to protect different elements of an object or project. For example, the artistic elements of a logo may be protected under copyright law, while the logo itself is protected under trademark laws.

Patents, trademarks and copyrights are all a part of intellectual property, but they each serve important and specific functions. If you need help determining the best way to protect you and your business, consult a lawyer who specializes in intellectual property.

SECTION B