

E-Commerce MCQ

Chapter 2

1) Which of the following is a feature of a sell-side e-marketplace?

- a) Open marketplace for all buyers
- b) Company sells directly to qualified buyers**
- c) Multi-vendor auction
- d) Physical storefront only

2) Digital marketing offers businesses the ability to:

- a) Increase printing costs
- b) Operate only locally**
- c) Reach global customers
- d) Use only traditional advertising methods

3) Which of the following describes click-and-mortar organizations?

- a) Operate only in physical stores
- b) Fully digital businesses
- c) Combine both digital and physical operations**
- d) Provide only digital products

4) What is the primary focus of Conversion Rate Optimization (CRO)?

- a) Increasing website traffic
- b) Enhancing social media likes**
- c) Turning visitors into customers
- d) Minimizing digital presence

5) In digital marketing, the use of analytics tools helps companies:

- a) Decrease online visibility
- b) Track and measure campaign effectiveness
- c) Increase the cost of marketing**
- d) Limit customer engagement



6) Which of the following best explains e-business?

- a) Selling physical products only
- b) Integration of technology in all business operations
- c) **Offline customer service activities**
- d) Managing only financial transactions

7) Digital goods are typically delivered through:

- a) Postal mail
- b) In-store pickup
- c) Online downloads
- d) Physical couriers

8) Which of the following is NOT a benefit of digital markets?

- a) Higher menu costs
- b) Reduced transaction costs
- c) Dynamic pricing options
- d) Direct-to-consumer sales

9) Which term refers to a system where devices communicate with each other using the internet?

- a) Brick-and-mortar
- b) Virtual network
- c) Internet of Things (IoT)
- d) Traditional marketing

10) What is a primary challenge for digital goods?

- a) Physical storage issues
- b) Intellectual property protection
- c) Difficulty in accessing the internet
- d) Lack of customer interest



11) The front end of a marketplace includes:

- a) Order fulfillment
- b) Customer-facing interfaces
- c) Payment processing only
- d) Back-office operations

12) E-marketplaces typically do NOT include:

- a) Sellers
- b) Infrastructure
- c) Inventory warehouses
- d) Customers

13) Which of the following is an example of a digital good?

- a) Physical book
- b) E-book
- c) Groceries
- d) Furniture

14) The ability to change prices dynamically based on market conditions is known as:

- a) Static pricing
- b) Fixed pricing
- c) Dynamic pricing
- d) Seasonal pricing

15) Digital marketing primarily aims to:

- a) Increase physical store visits
- b) Influence customers' online actions
- c) Decrease global reach
- d) Minimize advertising efforts



16) A private e-marketplace is characterized by:

- a) Open access to all buyers and sellers
- b) Managed by a single company
- c) Only for digital products
- d) Excludes online transactions

17) Which of the following helps businesses build customer trust in digital marketing?

- a) Limited product options
- b) Social media interactions
- c) Higher advertising costs
- d) Offline advertisements

18) The Internet of Things (IoT) enhances marketing by:

- a) Reducing data collection
- b) Offering personalized customer experiences
- c) Limiting digital communication
- d) Increasing physical store sales

19) E-business goes beyond e-commerce by including:

- a) Only online sales
- b) Marketing and customer service activities
- c) In-store promotions
- d) Physical inventory checks

20) A key benefit of using digital marketing for small businesses is:

- a) Increased printing costs
- b) Higher advertising fees
- c) Cost-effectiveness
- d) Limited customer engagement



21) Marketspaces differ from traditional marketplaces by:

- a) Involving only physical transactions
- b) Using electronic transactions
- c) Requiring in-person negotiations
- d) Excluding digital products

22) Which tool is commonly used to measure digital marketing success?

- a) TV ratings
- b) Printed ads
- c) Google Analytics
- d) Newspaper reviews

23) A storefront in a B2C e-marketplace typically belongs to:

- a) A third-party intermediary
- b) A single company selling products or services
- c) A physical mall
- d) A government entity

24) Which aspect of digital business differentiates it from traditional e-business?

- a) Use of manual processes
- b) Integration of smart, connected devices
- c) Physical product delivery
- d) Local market focus only

25) E-commerce focuses mainly on:

- a) Offline sales activities
- b) Online buying and selling of products
- c) Customer support via phone
- d) Physical inventory management



26) The term 'pure-play organization' refers to:

- a) Physical-only businesses
- b) Digital-only businesses
- c) Companies using mixed strategies
- d) Offline retailers

27) Which is a key characteristic of public e-marketplaces?

- a) Exclusive access for select buyers
- b) Open to many sellers and buyers
- c) Operated by a single retailer
- d) Offers only physical products

28) Digital marketing helps companies reach customers through:

- a) Print media only
- b) Search engines, social media, and email
- c) Direct mail campaigns
- d) In-person sales meetings

29) The main focus of e-business is to:

- a) Only generate online sales
- b) Use internet technologies to enhance all business processes
- c) Limit the scope of customer interactions
- d) Avoid digital marketing

30) Digital goods are preferred for their:

- a) High physical storage needs
- b) Easy electronic delivery
- c) Limited market demand
- d) High shipping costs



31) Which of the following best describes a brick-and-mortar organization?

- a) Purely digital operations
- b) Physical products, processes, and delivery
- c) Uses both online and offline strategies
- d) Primarily virtual business

32) Which of the following is a characteristic of dynamic pricing?

- a) Prices remain constant regardless of demand
- b) Prices vary based on market conditions
- c) Prices are fixed seasonally
- d) Prices are based on product weight

33) A pure-play organization refers to a company that:

- a) Operates only physical stores
- b) Has both online and offline presence
- c) Operates entirely online
- d) Offers only tangible goods

34) Which of the following is an example of a digital marketplace?

- a) Local grocery store
- b) Online e-mall
- c) In-person auction house
- d) Printed catalog retailer

35) Which of the following is NOT a benefit of e-business?

- a) Increased physical infrastructure costs
- b) Enhanced customer service capabilities
- c) Faster order processing
- d) Broader market reach

36) Digital goods often face issues related to:

- a) Limited online demand
- b) Intellectual property protection
- c) High transportation costs
- d) Difficulty in storing products



37) In a marketplace, the back end includes:

- a) Customer search engines
- b) Order fulfillment and inventory management
- c) Social media marketing
- d) Advertising platforms

38) Which feature differentiates an e-business from traditional businesses?

- a) Exclusive use of offline advertising
- b) Integration of ICT in operations
- c) Higher reliance on in-store promotions
- d) Only physical transactions

39) Which aspect of digital marketing helps in building brand reputation?

- a) Ignoring customer feedback
- b) Offering consistent digital experiences
- c) Limiting online presence
- d) High-cost television ads

40) The front end of a marketplace includes:

- a) Inventory management
- b) Payment gateway and customer interface
- c) Supplier coordination
- d) Product packaging

41) A digital storefront typically belongs to:

- a) A brick-and-mortar store
- b) An online business
- c) A government agency
- d) A local newspaper



42) Which of the following helps companies track digital marketing performance?

- a) Printed marketing reports
- b) Social media insights
- c) Door-to-door surveys
- d) Radio broadcasts

43) The main objective of Conversion Rate Optimization (CRO) is to:

- a) Lower website traffic
- b) Increase visitor engagement and conversions
- c) Decrease product availability
- d) Focus solely on social media followers

44) Which factor is essential for successful digital marketing?

- a) Ignoring customer data
- b) Consistent online engagement
- c) High-cost physical advertisements
- d) Limited social media presence

45) Which of the following is a key characteristic of digital marketing?

- a) High printing costs
- b) Real-time engagement with customers
- c) Only local customer reach
- d) In-person sales meetings

46) Which of the following describes a virtual organization?

- a) Operates through both physical and online stores
- b) Uses only physical locations for sales
- c) Operates entirely in the digital space
- d) Has no online presence



47) Digital marketing is preferred over traditional marketing because it:

- a) Requires printed advertisements
- b) Allows for precise targeting of customers
- c) Is limited to physical store customers
- d) Excludes the use of social media

48) Digital marketing can help businesses by:

- a) Reducing their online presence
- b) Increasing customer engagement and loyalty
- c) Limiting customer interactions
- d) Focusing only on local customers

49) Which of the following describes a buy-side e-marketplace?

- a) A platform where multiple sellers compete
- b) A marketplace managed by a single company for purchasing needs
- c) An open marketplace for all buyers
- d) A traditional physical store

50) Which marketing method allows businesses to reach customers globally with ease?

- a) Traditional print ads
- b) Digital marketing
- c) Door-to-door sales
- d) Billboard advertising

51) Which of the following best explains the role of intermediaries in a marketplace?

- a) Directly selling products to customers
- b) Facilitating transactions between buyers and sellers
- c) Managing physical store inventory
- d) Limiting the types of products available



52) Which company is a well-known example of a digital-only business?

- a) Target
- b) Netflix
- c) Walmart
- d) Best Buy

53) A storefront in an e-marketplace typically offers:

- a) Only physical goods
- b) Digital goods and services
- c) Government services
- d) Local advertisements only

54) Digital marketing is less cost-effective than traditional marketing.

- a) True
- b) False

55) Click-and-mortar businesses combine both digital and physical operations.

- a) True
- b) False

56) Dynamic pricing remains constant regardless of market conditions.

- a) True
- b) False

57) E-business refers only to online sales activities.

- a) True
- b) False

58) Conversion Rate Optimization (CRO) aims to increase the number of visitors who make a purchase.

- a) True
- b) False

59) A pure-play organization operates both online and offline stores.

- a) True
- b) False

60) Digital goods can be delivered electronically without physical shipping.

- a) True
- b) False

61) A public e-marketplace is open to many buyers and sellers.

- a) True
- b) False



62) The Internet of Things (IoT) has no impact on digital marketing strategies.

a) True

b) False

63) Intellectual property protection is a major concern for digital goods.

a) True

b) False

64) Google Analytics is used to measure the success of digital marketing campaigns.

a) True

b) False

65) Digital marketing has a limited global reach compared to traditional marketing.

a) True

b) False

66) The front end of a marketplace includes customer interaction tools and payment gateways.

a) True

b) False

67) A private e-marketplace is managed by an independent third party and open to all buyers.

a) True

b) False

68) E-business involves integrating technology across all business operations, not just sales.

a) True

b) False

69) E-commerce only includes transactions for digital goods.

a) True

b) False

70) Digital marketing helps businesses interact with their customers in real-time.

a) True

b) False

71) The back end of a business focuses on customer-facing activities only.

a) True

b) False

72) Pure-play organizations have no physical stores and operate entirely online.

a) True

b) False



73) Digital marketing strategies do not include social media advertising.

a) True

b) False

74) E-business can help reduce operational costs by using internet technologies.

a) True

b) False

75) A digital good like an e-book requires physical delivery to customers.

a) True

b) False

76) Digital business focuses on using connected devices to enhance customer experiences.

a) True

b) False

77) Social media platforms are not effective tools for digital marketing.

a) True

b) False

78) The back end of a marketplace includes activities like order processing and supplier coordination.

a) True

b) False

79) An online storefront is an example of a click-and-mortar business model.

a) True

b) False

80) E-business strategies can include customer service, supply chain management, and sales processes.

a) True

b) False

81) Digital goods like music files are examples of products that can be easily pirated.

a) True

b) False

82) Digital goods can be easily copied and shared, leading to issues of piracy.

a) True

b) False

83) E-commerce is a subset of e-business.

a) True

b) False



84) A click-and-mortar organization does not have any physical store locations.

a) True

b) False

85) The primary goal of digital marketing is to increase offline store traffic.

a) True

b) False



Model Answer Chapter 2

1. b) Company sells directly to qualified buyers
2. c) Reach global customers
3. c) Combine both digital and physical operations
4. c) Turning visitors into customers
5. b) Track and measure campaign effectiveness
6. b) Integration of technology in all business operations
7. c) Online downloads
8. a) Higher menu costs
9. c) Internet of Things (IoT)
10. b) Intellectual property protection
11. b) Customer-facing interfaces
12. c) Inventory warehouses
13. b) E-book
14. c) Dynamic pricing
15. b) Influence customers' online actions
16. b) Managed by a single company
17. b) Social media interactions
18. b) Offering personalized customer experiences
19. b) Marketing and customer service activities
20. c) Cost-effectiveness
21. b) Using electronic transactions
22. c) Google Analytics
23. b) A single company selling products or services
24. b) Integration of smart, connected devices
25. b) Online buying and selling of products
26. b) Digital-only businesses
27. b) Open to many sellers and buyers
28. b) Search engines, social media, and email
29. b) Use internet technologies to enhance all business processes
30. b) Easy electronic delivery
31. b) Physical products, processes, and delivery
32. b) Prices vary based on market conditions
33. c) Operates entirely online
34. b) Online e-mail
35. a) Increased physical infrastructure costs
36. b) Intellectual property protection
37. b) Order fulfillment and inventory management



38. b) Integration of ICT in operations
39. b) Offering consistent digital experiences
40. b) Payment gateway and customer interface
41. b) An online business
42. b) Social media insights
43. b) Increase visitor engagement and conversions
44. b) Consistent online engagement
45. b) Real-time engagement with customers
46. c) Operates entirely in the digital space
47. b) Allows for precise targeting of customers
48. b) Increasing customer engagement and loyalty
49. b) A marketplace managed by a single company for purchasing needs
50. b) Digital marketing
51. b) Facilitating transactions between buyers and sellers
52. b) Netflix
53. b) Digital goods and services
54. b) False
55. a) True
56. b) False
57. b) False
58. a) True
59. b) False
60. a) True
61. a) True
62. b) False
63. a) True
64. a) True
65. b) False
66. a) True
67. b) False
68. a) True
69. b) False
70. a) True
71. b) False
72. a) True
73. b) False
74. a) True
75. b) False



76. a) True

77. b) False

78. a) True

79. b) False

80. a) True

81. a) True

82. a) True

83. a) True

84. b) False

85. b) False

