



BIT 5594 Web-Based Applications & Electronic Commerce Study Guide for Final Exam

Chapter 1: The Revolution Is Just Beginning

LO: Define e-commerce and describe how it differs from e-business.

Which of the following terms can be considered synonymous with the term *e-commerce*?

- A) e-business
- B) digital commerce**
- C) the Internet
- D) the Web

The term *e-commerce* refers to the digital enabling of transactions and processes involving an exchange of value across organizational boundaries.

- A) True**
- B) False

LO: Identify and describe the unique feature of e-commerce technology and discuss their business significance.

E-commerce technologies provide a unique, many-to-many model of mass communication.

- A) True**
- B) False

Which of the following is the best definition of transaction cost?

- A) the expense of changing national or regional prices
- B) the cost of participating in a market**
- C) the cost of finding suitable products in the market
- D) the cost merchants pay to bring their goods to market

Which of the following is an example of C2C e-commerce?

- A) Amazon
- B) Groupon
- C) Craigslist
- D) Go2Paper

LO: Understand the evolution of e-commerce from its early years to today.

All of the following can be considered a precursor to e-commerce *except*:

- A) the development of the smartphone.
- B) Baxter Healthcare's PC-based remote order entry system.
- C) the French Minitel.
- D) the development of Electronic Data Interchange standards.

Which of the following was the first truly large-scale digitally enabled transaction system in the B2C arena?

- A) Telex
- B) the Baxter Healthcare system
- C) the French Minitel
- D) EDI

LO: Identify the major academic disciplines contributing to e-commerce.

Which academic disciplines have a technical approach to e-commerce?

- A) Computer scientists,
- B) Operations management scientists
- C) Technical groups within the information systems discipline
- D) All of the above

Chapter 2: E-commerce Business Models and Concepts

LO: Identify the key components of e-commerce business models.

Which element of the business model addresses what a firm provides that other firms do not and cannot?

- A) revenue model
- B) competitive advantage
- C) market strategy
- D) value proposition

Which of the following are Amazon's primary value propositions?

- A) personalization and customization
- B) selection and convenience
- C) reduction of price discovery cost
- D) management of product delivery

LO: Describe the major B2C business models.

Portals primarily generate revenue in all of the following ways *except*:

A) charging advertisers for ad placement.

B) collecting transaction fees.

C) sales of goods.

D) charging subscription fees.

The financial services, travel services, and job placement services industries typically use the _____ business model.

- A) community provider
- B) transaction broker**
- C) market creator
- D) e-tailer

LO: Describe the major B2B business models.

_____ create and sell access to digital markets.

- A) E-distributors
- B) Portals
- C) E-procurement firms**
- D) Market creators

Over the past decade, the number of exchanges has:

- A) greatly increased.
- B) diminished sharply.**
- C) stayed about the same.
- D) increased slowly but steadily.

LO: Understand the key business concepts and strategies applicable to e-commerce.

Which business strategy involves implementing a new, more efficient set of business processes that other firms cannot yet obtain?

- A) strategy of cost competition**
- B) scope strategy
- C) customer intimacy strategy
- D) focus/market niche strategy

Which of the following is *not* a primary activity in a firm value chain?

- A) outbound logistics
- B) finance/accounting**
- C) operations
- D) after-sales service

Chapter 3: E-commerce Infrastructure: The Internet, Web, and Mobile Platform

LO: Discuss the origins of, and the key technology concepts behind, the Internet.

During which period of time did the Institutionalization phase of Internet development take place?

- A) 1950-1960
- B) 1961-1974
- C) 1975-1995
- D) 1995-through the present

Which of the following occurred during the Commercialization phase of Internet development?

- A) The fundamental building blocks of the Internet were realized in actual hardware and software.
- B) Mosaic was invented.
- C) The Domain Name System was introduced.
- D) NSF privatized the operation of the Internet's backbone.

LO: Explain the current structure of the Internet.

The backbone of the Internet is formed by:

- A) Internet Exchange Points (IXPs).
- B) Tier 1 ISPs.
- C) Network Access Points (NAPs).
- D) Metropolitan Area Exchanges (MAEs).

Which of the following organizations involved with Internet governance has the United States recently announced it would give up control over?

- A) ICANN
- B) IGF
- C) NTIA
- D) IANA

LO: Understand the limitations of today's Internet and the potential capabilities of the Internet of the future.

Which of the following refers to delays in messages caused by the uneven flow of information packets through the network?

- A) redundancy
- B) latency
- C) Net neutrality
- D) QOS

WLAN-based Internet access derives from the same technological foundations as telephone-based wireless Internet access.

- A) True
- B) False

LO: Understand how the Web works.

You could expect to find all of the following services in a Web server software package *except*:

- A) security services.
- B) FTP.
- C) search engine.
- D) an RSS aggregator.

HTML is used to format the structure and style of a Web page.

- A) True
- B) False

LO: Describe how Internet and Web features and services support e-commerce.

The protocol that enables the transmission of voice and other forms of audio communication over the Internet is called:

- A) VoIP.
- B) ITP.
- C) VTP.
- D) IP.

Which of the following is a Web application that enables Internet users to communicate with each other, although not in real time?

- A) mobile messaging
- B) online forum
- C) SMS messaging
- D) VoIP

Chapter 4: Building an E-commerce Presence: Web Sites, Mobile Sites, and Apps

LO: Understand the questions you must ask and answer, and the steps you should take, in developing an e-commerce presence.

Which of the following types of e-commerce presence is best suited for creating an ongoing conversation with one's customers?

- A) Web site
- B) e-mail
- C) social media
- D) offline media

What are the two most important management challenges in building a successful e-commerce presence?

- A) developing a clear understanding of business objectives and knowing how to choose the right technology to achieve those objectives
- B) having an accurate understanding of your business environment and an achievable business plan
- C) building a team with the right skill sets and closely managing the development process
- D) identifying the key components of your business plan and selecting the right software, hardware, and infrastructure for your site

LO: Explain the process that should be followed in building an e-commerce presence.

_____ are the types of information systems capabilities needed to meet business objectives.

- A) Information requirements
- B) System functionalities
- C) System design specifications
- D) Physical design specifications

Which of the following basic system functionalities is used to display goods on a Web site?

- A) product database
- B) digital catalog
- C) shopping cart system
- D) customer database system

LO: Identify and understand the major considerations involved in choosing Web server and e-commerce merchant server software.

All of the following might be part of a Web site's middle-tier layer *except*:

- A) a database server.
- B) an ad server.
- C) legacy corporate applications.
- D) a mail server.

Which of the following is an example of a CMS?

- A) Apache
- B) WordPress
- C) Dreamweaver CC
- D) Webtrends Analytics

LO: Understand the issues involved in choosing the most appropriate hardware for an e-commerce site.

Which of the following is *not* a main factor in determining the overall demand on an e-commerce site?

- A) file sizes of Web pages being served
- B) number of simultaneous users in peak periods
- C) speed of legacy applications that are needed to supply data to Web pages
- D) whether content is dynamic or static

Storing HTML pages in RAM rather than on a server's hard drive is an inexpensive way to fine-tune the processing architecture of a Web site.

- A) True
- B) False

LO: Understand the important considerations involved in developing a mobile Web site and building mobile applications.

A native app is one designed to specifically operate using a mobile device's hardware and operating system.

- A) True
- B) False

Beginning the e-commerce development process with a mobile presence rather than a desktop Web site is referred to as which of the following?

- A) RWD
- B) AWD
- C) mobile first design
- D) RESS

Chapter 5: E-commerce Security and Payment Systems

LO: Understand the scope of e-commerce crime and security problems, the key dimensions of e-commerce security, and the tension between security and other values.

_____ refers to the ability to identify the person or entity with whom you are dealing on the Internet.

- A) Nonrepudiation
- B) Authenticity
- C) Availability
- D) Integrity

Which of the following is an example of an integrity violation of e-commerce security?

- A) A Web site is not actually operated by the entity the customer believes it to be.
- B) A merchant uses customer information in a manner not intended by the customer.
- C) A customer denies that he or she is the person who placed the order.
- D) An unauthorized person intercepts an online communication and changes its contents.

LO: Identify the key security threats in the e-commerce environment.

Accessing data without authorization on Dropbox is an example of which of the following?

- A) social network security issue
- B) cloud security issue
- C) mobile platform security issue
- D) sniffing

Software that is used to obtain private user information such as a user's keystrokes or copies of e-mail is referred to as:

- A) spyware.
- B) a backdoor.
- C) browser parasite.
- D) adware.

LO: Describe how technology helps secure Internet communications channels and protect networks, servers, and clients.

All the following statements about symmetric key cryptography are true *except*:

- A) in symmetric key cryptography, both the sender and the receiver use the same key to encrypt and decrypt a message.
- B) the Data Encryption Standard is a symmetric key encryption system.
- C) symmetric key cryptography is computationally slower.
- D) symmetric key cryptography is a key element in digital envelopes.

Which of the following is the current standard used to protect Wi-Fi networks?

- A) WEP
- B) TLS
- C) WPA2
- D) WPA3

LO: Appreciate the importance of policies, procedures, and laws in creating security.

To allow lower-level employees access to the corporate network while preventing them from accessing private human resources documents, you would use:

- A) access controls.
- B) an authorization management system.
- C) security tokens.
- D) an authorization policy.

Chapter 6: E-commerce Marketing and Advertising Concepts

LO: Understand the key features of the Internet audience, the basic concepts of consumer behavior and purchasing, and how consumers behave online.

In modeling online consumer behavior, the concept of "consumer skills" refers to the:

- A) education level of the consumer.
- B) communication skills of the consumer.
- C) knowledge consumers have about how to conduct online transactions.
- D) product evaluation skills of the consumer.

Online traffic is driven by offline brands and shopping.

- A) True
- B) False

LO: Identify and describe the basic digital commerce marketing and advertising strategies and tools.

Which of the following is *not* a primary source of ad fraud?

- A) browser extensions that insert ads into a premium publisher's Web site and then list the ads as available on a programmatic ad exchange
- B) ad targeting firms that create bots that imitate the behavior of real shoppers and then charge advertisers
- C) botnets hired by publishers to click on Web pages to create phony traffic
- D) native advertising that is displayed on a social media site

Which of the following is the most important tool in establishing a relationship with the customer?

- A) company Web site
- B) company CRM system
- C) Facebook
- D) search engine display ads

LO: Identify and describe the main technologies that support online marketing.

A _____ is a repository of customer information that records all of the contacts that a customer has with a firm and generates a customer profile available to everyone in the firm with a need to know the customer.

- A) customer service chat system
- B) CRM system
- C) data warehouse
- D) transactive content system

To answer a question such as "At what time of day does our company sell the most products?" you would use _____ data mining.

- A) query-driven
- B) customer profiling
- C) model-driven
- D) behavioral

LO: Understand the costs and benefits of online marketing communications.

Impressions are a measure of the:

- A) number of times an ad is clicked.
- B) number of times an ad is served.
- C) number of http requests.
- D) number of pages viewed.

Purchasing an online ad on a CPA basis means that the advertiser:

- A) pays for impressions in 1,000 unit lots.
- B) pays a pre-negotiated fee for each click an ad receives.
- C) pays only for those users who perform a specific action, such as registering, purchasing, etc.
- D) exchanges something of equal value for the ad space.

Chapter 8: Ethical, Social, and Political Issues in E-commerce

LO: Understand why e-commerce raises ethical, social, and political issues.

Liability is a feature of political systems in which a body of law is in place that permits individuals to recover damages done to them by other actors, systems, or organizations

- A) True
- B) False

The ethical principle of Universalism states that if an action is not right for all situations, then it is not right for any situation.

- A) True
- B) False

LO: Understand basic concepts related to privacy and information rights, the practices of e-commerce companies that threaten privacy, and the different methods that can be used to protect online privacy.

Which of the following statements about industry self-regulation regarding privacy is *not* true?

- A) OPA members are required to implement the OPA's privacy guidelines.
- B) The primary focus of industry efforts has been the use of online "seals" that attest to the site's policies.
- C) Industry efforts have not so far succeeded in reducing American fears of privacy invasion.
- D) The NAI's privacy policies have established the TRUSTe seal.

The sharing of a user's stored cookie information between Web sites and without the user's knowledge is:

- A) legal in the United States but illegal in Europe.
- B) illegal in the United States but legal in Europe.
- C) legal in both the United States and Europe.
- D) illegal in both the United States and Europe.

LO: Understand the various forms of intellectual property and the challenges involved in protecting it.

Registering the domain name Faceboik.com with the intent to divert Web traffic from people misspelling Facebook.com is an example of:

- A) cybersquatting.
- B) typosquatting.
- C) metatagging.
- D) linking.

The display of a third-party's Web site or page within your own Web site is called:

- A) cybersquatting.
- B) metatagging.
- C) framing.
- D) deep linking.

Chapter 11: Social Networks, Auctions, and Portals

LO: Describe the different types of social networks and online communities and their business models.

Which of the following companies was an early investor in Facebook?

- A) Google
- B) Apple
- C) Microsoft
- D) LinkedIn

Which of the following is a community of members who self-identify with a demographic or geographic category?

- A) practice network
- B) sponsored community
- C) affinity community
- D) interest-based social network

LO: Describe the major types of auctions, their benefits and costs, how they operate, when to use them, and the potential for auction abuse and fraud.

Which of the following allows the consumer to enter a maximum price and the auction software automatically places incremental bids up to that maximum price as their original bid is surpassed?

- A) watch lists
- B) proxy bidding
- C) sealed bidding
- D) price matching

All of the following types of auctions involve single units *except*:

- A) English auction.
- B) Dutch Internet.
- C) Name Your Own Price auction.
- D) penny auction.

LO: Describe the major types of Internet portals and their business models.

Portals are not subject to network effects.

- A) True
- B) False

The value of portals to advertisers and content owners is primarily a function of the size of the audience the portal reaches and the length of time visitors stay on the site.

- A) True
- B) False