
Examiners' commentaries

2016–17

CO3323 Electronic commerce – Zone B

General remarks

The Electronic commerce examination was divided into five questions. Candidates were required to answer three questions out of the five available. Each question carried a maximum of 25 marks. The majority of candidates passed the examination.

Overall, candidates did well and a normal distribution of marks was achieved. Candidates who provided good examples scored highly, as did candidates who referred to scenarios in their answers. Overall, the standard of written work has improved. Candidates are reminded to ensure their handwriting is legible and to provide examples where requested.

Question 1a

This question required candidates to identify and describe five revenue models that Budget News could adopt as income streams for the business. Candidates were also asked to provide real-world examples of businesses raising revenue using the models they identified. All candidates who answered this question did so well, especially where the Budget News context was referenced. Appropriate examples were given.

Question 2a

In this question, candidates were required to explain each stage of the system development life cycle. Candidates were explicitly asked to detail five key factors that must be considered when developing an electronic commerce website. Although the majority of those who answered this question did so well, there were many answers that failed to explain key factors and instead included secondary factors; for example, factors that were not key to the success of the website.

Question 2b

In this question candidates were asked to list five considerations that must be understood in order for Johnsons Windows (described in the scenario) to correctly purchase appropriate hardware. All candidates who answered this question did so well, demonstrating they understood all the issues associated with hardware purchasing, and many provided very good examples.

Question 3a

This question required an understanding of the value chains of a business and the value chain of an industry. Candidates were required to draw and describe an industry value chain for a business. Although many candidates attempted this question, few drew value chains using the correct format. Candidates also tended to confuse value chain items for a company with those for an industry. Candidates are advised to ensure they can separate these value chains.

Question 3b

This question asked for a detailed description of three types of companies where a mobile phone company might benefit from synergies. Candidates generally answered this question well, providing a good range of proposals. Pleasingly, nearly all candidates related their answers to the context given.

Question 4a

Candidates were required to describe product-based and customer-based marketing strategies and to provide five examples of approaches History on Video Today (described in the scenario) might take to market segmentation. Candidates who answered this question fully did so well. However, some failed to provide examples, and therefore achieved lower marks.

Question 4b

Candidates were required to propose two alternative approaches to conducting an online auction facility and to recommend which would be most appropriate for History on Video Today. For each auction approach proposed, candidates were asked to describe how the auction works and how it could be implemented. All candidates who attempted this question demonstrated a good understanding of auction facilities. Good answers made specific references to the scenario and explained their recommendation.

Question 5a

This question required candidates to demonstrate two advantages and the transaction cost savings that could be achieved by Patio Homeware (described in the scenario) if they opt for an online shop rather than a traditional shop. Candidates who attempted this question demonstrated a good understanding of transaction costs and online shops, with credit given for specific reference to the scenario.

Question 5b

Candidates were asked to provide a description of five different approaches to online promotion to publicise a new website. Candidates were required to discuss various ways in which media such as banners, video advertising and text-based search promotion tools could be used as part of the process. Although this question was not answered by many candidates, those who did so answered it well, demonstrating a good understanding of online promotion.