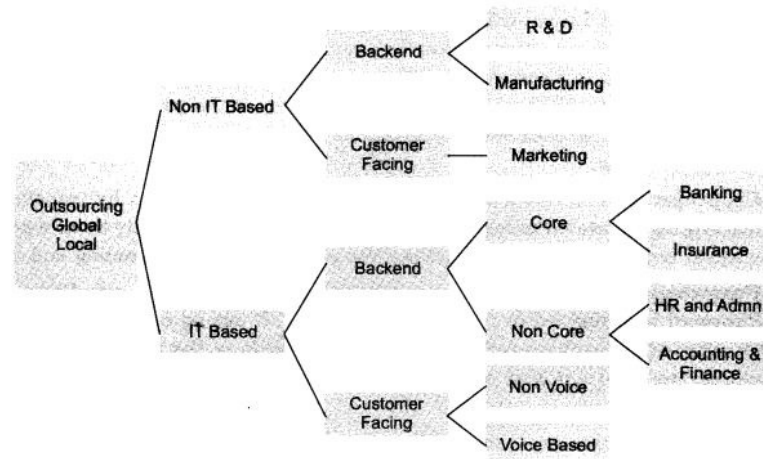III. Long Answer Type Questions

Question 1. Show the anatomy of outsourcing.
Answer: Anatomy of outsourcing has been shown with the help of chart given below:

Question 2. What are the threats to e-transactions? Which measures have been devised for their protection?
Answer: There are many threats to e-transactions. Risk here is referring to probability of any mishappening that can result into financial, reputational or psychological losses to the parties involved in the transaction. It includes:

1. Transaction risks: It can be of three types:
    - Default on Order Taking or Giving: Seller denies that the customer ever placed the order or customer denies that he ever placed the order.
    - Default on Delivery: It happens when either goods are delivered at a wrong address or wrong goods are delivered.
    - Default on Payment: Seller does not get the payment for the goods delivered but customer claims that he has made the payment.
2. Data Storage and Transmission Risks: Data stored in the systems and en route is exposed to a number of risks. Major two risks are related to virus and hacking. Virus is a program which replicates itself on the other computer systems. The effect of computer viruses can range from mere annoyance in terms of some on-screen display (level -1 virus), disruption of functioning (level-2 virus) damage to target data files (level-3 virus) to complete destruction of the system.(level-4 virus). Hacking refers to unauthorized logging into the account and misusing it for selfish purposes or for fun only. Antivirus can help to protect files from virus and cryptography is used for protection against hacking.
3. Risks of threat to Intellectual Property and Privacy:Once an information is uploaded on internet, it loses privacy and IPRs. It becomes difficult to protect it from being copied and being accessible to one and all.

The following measures have been devised for their protection:

1. Secure Socket Layer (SSL): It was designed by Netscape for use in electronic commerce for transactions involving confidential information like credit card numbers. SSL uses a system of public and private key authentication combined with schemes to verify electronic signatures. Public key is the password that the sender uses to encrypt the data and the private key is used by the receiver of a message to descrypt the data.
2. Cryptography: It refers to the art of protecting information by transforming it (encrypting it) into an unreadable format called 'cyphertext'. Only those who possess a secret key can decrypt the message into plain text. It is like coding and decoding.
3. Password: The parties to an e-commerce transaction must use the password. Password is a code fed in computer by the user. It can be in alphabets or numeric or alpha-numeric characters. Unless a person feeds in the password, system shall neither respond nor give effect to the transactions. Therefore, one must keep a password.
4. Cookies: Cookies are very similar to creating ID in telephones that provide telecallers with such relevant information as the customer's name, address and previous purchase payment record.
5. Anti-virus: There are anti-viruses which remove any type of virus from the system.

IV. Higher Order Thinking Skills (HOTS)

Question 1. "E-commerce is the need of the hour." Comment.
Answer: In this century, lifestyle has undergone a drastic change. People have everything except time. Using e-commerce they can buy and sell almost everything at your doorstep with the magic of e-commerce in the 21st century which will be known for information revolution. E-commerce has changed your lifestyles entirely because you don't have to spend time and money in travelling to the market. You can do your e-payments with the help of e-commerce.
There is no time barrier in selling the products. One can log on to the internet even at midnight and can sell the products at a single click of mouse. E-commerce reduces delivery time and labor cost. Thus it has been possible to save the time of both-the vendor and the consumer.
Its need is clear from its benefits given below:

1. Exploitation of New Business: Broadly speaking, electronic commerce emphasizes the generation and exploitation of new business opportunities and to use popular phrases: "generate business value" or "do more with less"
2. Enabling the Customers: Electronic Commerce is enabling the customer to have an increasing say in what products are made, how products are made and how services are delivered (movement from a slow order fulfillment process with little understanding of what is taking place inside the firm, to a faster and explore open process with customers having greater control.
3. Improvement of Business Transaction: Electronic Commerce endeavors to improve the execution of business transaction over various networks.
4. Effective Performance: It leads to more effective performance i.e., better quality, greater customer satisfaction and better corporate decision making.
5. Greater Economic Efficiency: We may achieve greater economic efficiency (lower cost) and more rapid exchange (high speed, accelerated, or real-time interaction) with the help of electronic commerce.
6. Execution of Information: It enables the execution of

information laden transactions between two or more parties using interconnected networks. These networks can be a combination of 'plain old telephone system' (POTS), Cable TV, leased lines and wireless. Information based transactions are creating new ways of doing business and even new types of business.

7. Facilitating of Network Form: Electronic Commerce is also impacting business to business interactions. It facilitates the network form of organization where small flexible firms rely on other partner, companies for component supplies and product distribution to meet changing customer demand more effectively. Hence, an end to end relationship management solution is a desirable goal that is needed to manage the chain of networks linking customers, workers, suppliers, distributors and even competitors. The management of "online transactions" in the supply chain assumes a central roll.

Question 2. "E-commerce is giving way to paperless society and government is supporting it." Substantiate.
Answer: It is right to say that E-commerce is giving way to paperless society. Government is also formulating laws to help in this creation. It is clear from the laws formulated under IT Act, 2000:

1. Legal recognition of electronic records: Where any law provides that information or any other matter shall be in writing or in the typewritten or printed form, then, notwithstanding anything contained in such law, such requirement shall be deemed to have been satisfied if such information or matter is rendered or made available in an electronic form; and accessible so as to be usable for a subsequent reference. For example, a company can send notice for AGM using e-mail.

2. Retention of electronic records: Where any law provides that documents, records or information shall be retained for any specific period, then, that requirement shall be deemed to have been satisfied if such documents, records or information Eire retained in the electronic form. For example, if results are preserved in electronic form it will work.

3. Legal recognition of digital signatures: Where any law provides that information or any other matter shall be authenticated by affixing the signature or any document shall be signed or bear the signature of any person, hence notwithstanding anything contained in such law, such requirement shall be deemed to have been satisfied, if such information or matter is authenticated by means of digital signature affixed in such a manner as may be .prescribed by the Central Government.

4. Use of electronic records and digital signatures in Government and its agencies: Where any law provides for the filling of any form, application or any other document with any office, authority, body or agency owned or controlled by the appropriate government in a particular manner; the issue or grant of any license, permit, sanction or approval by whatever name called in a particular manner; the receipt or payment of money in a particular manner, then, notwithstanding anything contained in any other law for the time being in force, such requirement shall be deemed to have been satisfied if such filing, issue, grant, receipt or payment, as the case may be, is effected by means of such electronic form as may be prescribed by the appropriate government. All these provisions of IT Act, 2000 are helping us to move towards a paperless society.

Question 3. Discuss utility of E Commerce in:
(a) Health,

(b) Education,
(c) Governance,
Answer:
(a) Changes in Health: E-health is following the same path, with electronic patient records slowly being introduced and health insurance schemes starting to refund e-health services. This will be a user driven development as it is more likely that the users will be able to adapt to e-health much faster than the healthcare system can deliver it.

This will clear the way for a whole new e-health industry, worth billions of dollars. One has to look at some of the e-health systems linked to the high end private hospitals in the USA to see what is in store. They use their e-health facilities as a major marketing tool to attract customers, not just to the actual hospital, but to all the other facilities around it. The add on revenues are significant.

(b) Progress in e-education: It is moving at an enormous pace and already some schools are limiting the number of printed textbooks - some are going totally e-book. With over a million children now with laptops it is only a matter of time before the education system to switch over. The savings in books and other printed material alone will pay for this digital revolution. South Korean schools will be entirely e-book-based by 2015.

(c) Governance: Many e-government services on offer around the world already provide citizens with relatively sophisticated services and the establishment of a fiber based broadband network may see governments improve and broaden the range of web services even further. In addition, mobile services are being incorporated in service offerings and computing is becoming integrated. The Internet of Things (IoT) and M2M wifi also impact upon this sector. Those who are still talking about broadband as an end in itself; do not understand the situation. Broadband is simply the tool that will further enable and advance the digital economy.

V. Value Based Questions

Question 1. Which values are of utmost importance while we get involved in e-business?
Answer: Following values are of utmost importance when we get involved in e-business:

- Confidentiality: We must keep information of our clients confidential.
- Business ethics: Electronic eye should not be kept for personal usage. Its use must be minimized only for critical situations and in critical areas.
- No Undesirable Information: Our website must not advertise or promote any such thing which is not desirable from society point of view.
- Take all safety precautions: We must take safety precautions to ensure safety of data and to protect against risks of data storage.

Question 2. Hackers lack certain values. Which are these?
Answer: It will not be wrong to say that hackers lack certain values:

- They do not value the importance of other persons privacy.
- They are keen to use others efforts for their selfish means and even for fun.
- They wish to get many things without putting an effort for it using short cuts and illegal means.
  But remember in exceptional cases, hacking is also used to find criminals and to solve criminal cases.

*********** END *********