



TEXTBOOK QUESTIONS SOLVED

Question 1. Answer each of these questions in about fifteen words:

(i) What is meant by E-commerce?

Answer:

(i) E-commerce is defined as the conduct of industry, trade and commerce using the computer networks.

An electronic communication among enterprises, including customers, suppliers, business partners, government organizations and financial institutions.

Question 2. Answer each of these questions in about fifty words:

(i) Define Market.

(ii) Define 'Traditional Markets'.

(iii) In what terms, with passage of time, did the industrial activity intensified?

(iv) What range of activities business comprise of?

Answer:

(i) "The term 'market' is not any particular place in which things are bought and sold But the whole of any region where buyers and sellers are in such free intercourse with one another that the price of the same goods tend to equality easily and quickly."

(ii) According to the American Market Association:

"At every point where a specific commodity is concentrated for sale a market is found".

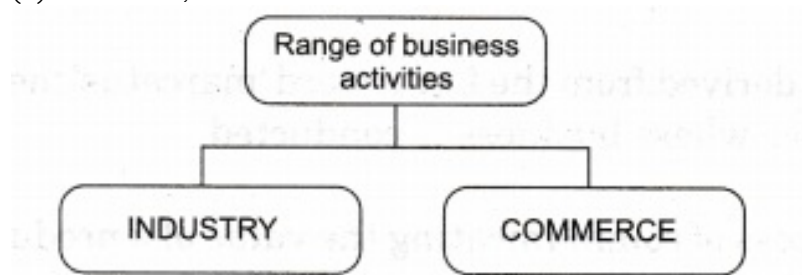
(iii) With the passage of time, the industrial activity has intensified in terms of:

- Quantity
- Quality
- Variety of the products
- Competition
- Awareness on the part of consumers
- Emergence of laws and enactments to protect consumer's interest.

(iv) Business include the following range of activities:

(a) Industry, i.e. production and related activities

(b) Commerce, i.e. trade and aides to trade.



Question 3. Answer each of these questions in about 75 words:

(i) Give three points of difference between the Traditional Market and Modern Markets.

(ii) Discuss the role of E-business in promoting the business community.

Answer:

Traditional Market	Modern Market
1. It referred to the market as a place.	1. It referred the market as whole region where buyers and sellers are in contact with each other.
2. In traditional marketing, more importance is given on selling the product.	2. Its main motive is customer satisfaction.
3. Here, existing products are imposed on the market through aggressive selling and promotional pressures.	3. It understands the needs and desires of the customer and product is designed accordingly.

(ii) Following points describe the role of E-commerce :

- (a) E-business allows quick response to the queries/doubts of various categories of customers and other business houses, thus facilitating sales and customer satisfaction.
- (b) Provides not only the first hand but the latest information about the product related to price, discount, quality, features, range, etc. available to the consumers merely at the click of the mouse.
- (c) It has made it possible to make things available in those areas too where there are no markets around like rural areas.
- (d) Producers are having direct contact with the consumers, resulting in the reduction of middlemen and related cost. Prices have thus decreased.
- (e) Customers can get information and the goods online because of e-commerce, thus saving time, cost and energy.

Question 4. Answer the question in about 150 words:

(i) Differentiate between E-Commerce and E-Business.

Answer:

E-Commerce	E-Business
1. It is defined as the conduct of industry, trade and commerce using the computer networks.	1. It is an electronic communication among enterprises, including customers, suppliers, business partners, government organizations and financial institutions.
2. E-commerce and other electronically conducted business functions such as production, product development, accounting, finance human resource management, etc. are wide in scope.	2. It covers the interaction of the firm with its customers and suppliers, over the Internet.
3. It aims to improve and change business processes.	3. It involves new business models and the potential to gain new revenue or lose some existing revenue to new competitors.

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