



MORE QUESTIONS SOLVED

I. Multiple Choice Questions

Question 1. E-business and E-commerce are:

- (a) Synonyms
- (b) Antonyms
- (c) Former is wider than latter
- (d) Former is narrow than latter.

Question 2. When was Electronic Data Interchange (EDI) standardised?

- (a) 1984
- (b) 1995
- (c) 2000
- (d) 1999

Question 3. In B2B, B2C, C2C etc B and C stand for:

- (a) Business and Corporate
- (b) Biding and Customer
- (c) Business and Customer
- (d) Business and Consumer

Question 4. When parties involved in the electronic transactions are from within a given business firm, it is called:

- (a) B2B Commerce
- (b) Intra B Commerce
- (c) C2C Commerce
- (d) B2C Commerce

Question 5. When a firm transacts with its employees, it is referred to as:

- (a) B2B Commerce
- (b) B2E Commerce
- (c) C2C Commerce
- (d) B2C Commerce

Question 6. Work from home using internet is covered under:

- (a) Online Networking
- (b) Virtual Private Network
- (c) Electronic Data Exchange
- (d) Paypal

Question 7. Which of the following is a benefit of e-business?

- (a) Less Risky
- (b) Less Technological Requirements
- (c) Convenience
- (d) All of the above

Question 8 Which of the following is not an application of e-business?

- (a) E-procurement
- (b) e-bidding
- (c) e-delivery
- (d) All of the above

Question 9. Which of the following can be used only for e-business?

- (a) Cheques
- (b) Credit Card
- (c) Debit Card
- (d) E-cash

Question 10. About 95% of online consumer transactions are executed through:

- (a) Cheques
- (b) Credit Card
- (c) Debit Card
- (d) E-cash

Question 11. When a customer claims that he has made payment but the seller does not get it, it is called:

- (a) Default on Delivery
- (b) Default on Order Taking
- (c) Bad Debts
- (d) Default on Payment

Question 12. Which of the following is used to handle data storage risk?

- (a) VIRUS
- (b) Hacking
- (c) Cryptography
- (d) All of the Above

Question 13. ----- is the largest captive BPO unit in India for providing certain kinds of services to the parent company in the United States as well as to its subsidiaries in other countries.

- (a) Infosys
- (b) General electric (GE)
- (c) Accenture
- (d) None of these

Question 14. BPO -----cost and----- excellence.

- (a) Reduces, Reduces
- (b) Increases, Increases
- (c) Reduces, Increases
- (d) Increases, Reduces

Question 15. In India-----and -----are referred to as emerging modes of business.

- (a) E-Business and E-Commerce
- (b) Outsourcing and E-business
- (c) Outsourcing and E-Commerce
- (d) Online Trading and Networking.

Answers:

- 1. (c)
- 2. (a)
- 3. (d)
- 4. (b)
- 5. (b)
- 6. (b)
- 7. (c)
- 8. (d)
- 9. (d)
- 10. (b)
- 11. (d)
- 12. (c)
- 13. (b)
- 14. (c)
- 15. (c)

II. Short Answer Type Questions

Question 1. Differentiate between traditional business and e-business.

Answer: Differences between traditional business and e-business is summarized below:

Basis	Traditional Business	e-business
1. Formation	Difficult	Simple
2. Physical presence	Required	Not required
3. Location requirement	Market	None
4. Cost of setting up	High	Low/no requirement of physical facility
5. Shape of Organizational Structure	Vertical due to hierarchy or chain of command	Horizontal due to directness of command and communication

6. Opportunity for inter personal touch	More	Less
7. Ease of expansion	More	Less
8. Nature of contact with the suppliers and customers	Indirect through intermediaries	Direct

Question 2. Write a short note on the scope of e-business.

Answer: Scope of e-business is very wide. It is summarized below:

1. B2B Commerce: Business to Business—Both the parties are business firms, e.g. Manufacturer of an automobile requires assembly of a large number of components which are being manufactured by different firms; Maruti Udyog, Bajaj Auto etc. use B2B commerce.
2. B2C Commerce: Business to Customer—Transaction taking place between business and individual customers. It facilitates promotion of products on line. e.g. music or film. Companies sell products and services on line to customer e.g. Amul.com sell Amul products online.
3. Intra - B. Commerce: Parties involved are from within a given business firm. It makes it possible for the marketing department to interact constantly with the production department to get information about customer requirement.
4. C2C Commerce: Consumer to consumer—Business originates from the consumer and the ultimate destination is also consumer. Its area of application is the formation of consumer forum, e.g. selling used books over the internet.

Question 3. Write a short note on the history of e-commerce.

Answer: The origin of e-commerce dates back to electronic media like telephone, fax, compact disc, cable and personal computer etc. These electronic media had several limitations like speed, accuracy, secrecy, geographical distance, authenticity etc. Business transactions were carried out using electronic devices. Let us look at the history chronologically.

1. In 1984, EDI or Electronic data interchange was standardized through ASC X12. It guaranteed that companies will be able to complete transactions with each other reliably.
2. In 1992, 'Compulsive' offered online retail products to its customers.
3. In 1994, Netscape arrived which provided a simple browser to surf the internet and launched a safe online transaction technology called Secure Socket Layer (SSL).
4. In 1995 two of the biggest names in e-commerce were launched namely, amazon.com and e-bay.com.
5. In 1998, Digital Subscribed Line was launched.
6. In 1999, retail spending over the internet reached \$820 billion dollar as per business.com.
7. In 2000, the USA government extended moratorium on internet taxes till 2005.

Question 4. Differentiate between e-commerce and e-business.

Answer: E-business and e-commerce are terms that are sometimes used interchangeably and sometimes they're used to differentiate one vendor's product from another. But the terms are different, and

that difference matters to today's companies.

Definition of E-Commerce

E-commerce is "any transaction completed over a computer-mediated network that involves the transfer of ownership or rights to use goods and services," defines the U.S. Census Bureau.

Transactions aren't required to have a price and include both sales and items like free downloads. E-commerce includes transactions made on the internet, Intranet, Extranet, World Wide Web, by e-mail and even by fax.

Definition of E-Business

E-business is broader than e-commerce; including the transaction based e-commerce businesses and those who run traditionally but cater to online activities as well. An e-business can run any portion of its internal processes online, including inventory management, risk management, finance, human resources. For a business to be e-commerce and e-business, it must both sell products online and handle other company activities or additional sales offline.

- E-commerce covers outward-facing processes that touch customers, suppliers and external partners, including sales, marketing, order taking, delivery, customer service, purchasing of raw materials and supplies for production and procurement of indirect operating expense items, such as office supplies. E-business includes e-commerce but also covers internal processes such as production, inventory management, product development, risk management, finance, knowledge management and human resources.
- E-business strategy is more complex, more focused on internal processes, and aimed at cost savings and improvements in efficiency, productivity and cost savings than e-commerce.
- Scope of e-business is wider than e-commerce.

Question 5. What is digital divide? How is it relevant in context of e-business?

Answer: It is division of society on the basis of familiarity with digital technology and non-familiarity with digital technology. The digital divide causes a significant problem in many struggling parts of the world. "As of 2003, only seven per cent of the world's 6.4 billion people have had access to the World Wide Web" [Ryder M, 2005]. The parts of the world that have a predominant amount of internet access is the Western World, the United States, Europe and Northern Asia, whereas access is more restricted in the poorer less developed parts of the world such as Africa, India and southern parts of Asia. These poorer nations are unable to afford the initial start up cost to be able to invest into technology to allow their nation to be able to have and maintain internet access. This puts these countries at a competitive and economic disadvantage. This is due to the fact that it impacts on society at many levels. By a country not having internet access, it means that schools are unable to teach IT skills and take advantage of the vast amount of information available on the web. With the lack of IT skills people from these countries are unable to compete at an international level.

Question 6. Explain various payment mechanisms under e-business.

Answer: Various payment mechanisms under e-business are described below:

- Cash on Delivery: Under this, the payment for goods ordered online may be made in cash at the time of physical delivery of the goods.
- Cheque: Another option is that the online vendor may arrange for the pickup of the cheque from the customer's end. Upon realization, goods may be delivered.
- Net Banking Transfer: These days banks provide facility to the

customers for electronic transfer of funds using internet.

Therefore, a buyer can also make use of net banking money transfer to pay for the goods ordered.

- Credit or Debit Cards: These are also called plastic money. These cards are most popularly used in payment for online transactions. To accept credit card as an online payment type, the seller first needs a secure means of collecting credit card information from its customer. Payments through credit cards can be processed either manually, or through an online authorization system like SSL Certificate.
- Digital Cash: It is a kind of electronic currency which exists only in cyberspace. It has no real physical properties, but offers the ability to use real currency in an electronic format. For this the buyer has to deposit cash in bank account which issues equivalent digital cash to the person which can be used for online trading. It is more secure than credit or debit cards.

Question 7. Explain the measures taken to protect the security and safety of e-transactions.

Answer: Following measures are taken to protect security and safety of e-transactions:

1. Cryptography: According to Pete Loshin, "It means use of such measures so as to keep the information out of the hand of anyone but its intended recipient. "Even if the message is intercepted the meaning shall not be apparent unless the interceptor is able to decode. This technique makes use of codes and cyphers.
2. 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. .
3. 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.
4. Creating Keys: Key is a secret algorithm. Only the person who has the key can read the data.

Question 8. What resources are required for successful implementation of e-business?

Answer:

Three m's are required for setting up any business: men, money and machines:

For e-business some additional sources are required. It needs a website with allotted cyberspace. More is the cyberspace, more is the cost of website and vice-versa. Space requirement depends on scale of operations and how interactive a website is.

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