



--	--	--	--	--	--	--	--	--	--

MULTIMEDIA UNIVERSITY

SECOND TRIMESTER SUPPLEMENTARY EXAMINATION, 2007 / 2008 SESSION

DBS5028 – E-COMMERCE

29 JANUARY 2008
09:00AM – 11:00AM
(2 HOURS)

INSTRUCTIONS TO STUDENT

1. This Question paper consists of 7 pages (excluding the cover page). There are three sections in this Question paper. Please attempt **ALL** questions in the three sections.

Section A: Multiple Choice Questions, Question 1 - 30, (30 marks)

Section B: True / False, Question 31 - 50, (20 marks)

Section C: Short Answers, 4 Questions, (40 marks)

2. For **Section A**, please mark your answers in the **OMR sheet** provided.
3. For **Section B**, please mark **A** for **TRUE** statements and **B** for **FALSE** statements in the **OMR sheet** provided.
4. For **Section C**, please write your answers in the **Answer Booklet** provided.

Section A : Multiple Choice Questions, Question 1 – 30 (30 Marks)

Instruction: Please mark your answers in the OMR sheet provided.

1. Which activity in the value chain refers to procurement activities that include vendor selection and contract negotiation?
 - a. Purchase materials and supplies
 - b. Produce materials and supplies
 - c. Deliver materials and supplies
 - d. Sell materials and supplies

2. Roommate matching services are well suited for a combination of Electronic and Traditional Commerce Strategies. Why?
 - a. Potential customers have the opportunity to book a room.
 - b. Potential customers may be concern about personality factor.
 - c. Typically matching services involves the use of algorithm.
 - d. This type of service is more complex.

3. _____ occurs when everyone in a group receives value because all participants use the same tool or product.
 - a. Disintermediation
 - b. A network effect
 - c. A perfect market
 - d. Friction-free commerce

4. Which is an **ADVANTAGE** of e-commerce?
 - a. Rapidly changing software and hardware.
 - b. Need to recruit employees with technological skills.
 - c. Decreased transaction costs.
 - d. Security concerns and violations.

5. The _____ is the organization that sets HTML and other programming standards.
 - a. Internet Engineering Steering Group (IESG)
 - b. World Wide Web Consortium (W3C)
 - c. Internet Engineering Task Force (IETF)
 - d. Internet Society (ISOC)

6. Which protocol allows businesses to attach business documents such as quotations and catalogs to e-mail messages?
 - a. POP
 - b. HTTP
 - c. MIME
 - d. SMTP

7. The process of slicing digital messages into parcels, sending them along different communication paths as they become available, and reassembling them at the destination point is called:
 - a. file transfer protocol
 - b. routing
 - c. circuit switching
 - d. packet switching

Continued....

8. Specialized computers that interconnect the thousands of computers that make up the Internet in order to transmit message parcels along available communication paths and on to their destinations are called:
- a. routers
 - b. switches
 - c. transponders
 - d. servers
9. Web servers can capture visitors' information and place it into a Web _____.
- a. index file
 - b. hierarchical file
 - c. log file
 - d. page
10. One way individuals can reduce spam is to _____.
- a. make sure everyone knows your e-mail address
 - b. use one e-mail address
 - c. respond to spam
 - d. control the exposure of an e-mail address
11. Which of the following provides a connection between e-commerce software and a company's existing accounting system?
- a. Firmware
 - b. Software
 - c. Middleware
 - d. Endware
12. Application servers are usually grouped into two types: page-based and _____.
- a. server-based
 - b. component-based
 - c. script-based
 - d. group-based
13. The _____ software helps companies to coordinate planning and operations with their partners in the industry supply chains of which they are members.
- a. supply chain management
 - b. data mining
 - c. middleware
 - d. customer relationship management
14. Which of the following is **TRUE** about Advertising- Subscription Mixed Revenue Model?
- a. Subscribers pay a fee and accept some level of advertising.
 - b. Nonsubscriber visitors can view classified ads and are able to have access to some content.
 - c. It is used by The New York Times and The Wall Street Journal.
 - d. All of the above.
15. Which of the following is **FALSE** about Fee-for-Service Revenue Models?
- a. Microsoft's MSN Games by Zone.com is based on this revenue model.
 - b. Transaction costs can be reduced for the company.
 - c. There is a wide range of services that is based on it.
 - d. Services can be charged on a monthly basis.

Continued....

16. Stickiness is an important attribute for which revenue model?
- a. Advertising Supported
 - b. Fee-based
 - c. Web Catalog
 - d. Digital Content
17. Which of the following is an example of an integrity violation of e-commerce security?
- a. A customer denies that he or she is the person who placed the order.
 - b. An unauthorized person intercepts an online communication and changes its contents.
 - c. A merchant uses customer information in a manner not intended by the customer.
 - d. A Web site is not actually operated by the entity the customer believes it to be.
18. Encryption can provide all of the following dimensions of e-commerce security **EXCEPT**:
- a. Authentication
 - b. Confidentiality
 - c. Message integrity
 - d. Privacy
19. In some payment card systems, the card issuer pays the merchants that accept the card directly and does not use an intermediary, such as a bank. What is this type of arrangement called?
- a. Online Automated System
 - b. Automated Clearing House
 - c. Open Loop Systems
 - d. Closed Loop Systems
20. Which of the following is **NOT** a disadvantage of electronic cash?
- a. Provides no audit trail.
 - b. Money laundering problem exist.
 - c. Transfer on the Internet costs more than processing credit card transactions.
 - d. Susceptible to forgery.
21. A _____ is the part of a Web site that keeps track of selected items for purchase and automates the purchasing process.
- a. trigger word
 - b. shopping cart
 - c. marketplace
 - d. padlock
22. Some Web pages have banner ads that continue to load and reload as long as the page is open in the visitor's Web browser. Each time the banner ad loads is a(n) _____.
- a. view
 - b. count
 - c. impression
 - d. click
23. _____ is the first condition that must be met to create a product or service brand.
- a. Product differentiation
 - b. Perceived value
 - c. Relevance
 - d. Permission marketing

Continued....

24. The whole auction process is managed by a(n) _____.
- a. bidder
 - b. auctioneer
 - c. observer
 - d. controller
25. In some auctions, _____, employed by the seller or the auctioneer, can make bids on behalf of the seller.
- a. auction agents
 - b. bidders
 - c. shill bidders
 - d. auction dealer
26. In which of the following auctions do buyers and sellers each submit combined price-quantity bids to an auctioneer?
- a. Sealed-bid
 - b. Dutch
 - c. Reverse
 - d. Double
27. _____ strategies can be used to improve the value that the business provides to its customers.
- a. Building
 - b. Downstream
 - c. Upstream
 - d. Purchasing
28. In many electronic commerce projects, the company outsource the initial site design and development to launch the project quickly. This approach is called _____.
- a. partial outsourcing
 - b. late outsourcing
 - c. fast venturing
 - d. early outsourcing
29. Which of the following is a collection of formal techniques for planning and controlling the activities undertaken to achieve a specific goal?
- a. Account management
 - b. Business planning
 - c. Project management
 - d. Web programming
30. In _____, an existing company that wants to launch an electronic commerce initiative joins external equity partners and operational partners that can offer the experiences and skills needed to develop and scale up the project very rapidly.
- a. personalization
 - b. change management
 - c. outsourcing
 - d. fast venturing

Continued....

Section B: True / False, Question 31 - 50 (20 Marks)

*Instruction: Please mark **A** for **TRUE** statements and **B** for **FALSE** statements in the OMR sheet provided.*

31. Email plays a bigger role in marketing during the first wave of e-commerce than the second-wave of E-commerce.
32. Value Added Network (VAN) provides connections, ensures security for data, and usually charges a fixed monthly fee plus a fee for each transaction.
33. Bluetooth consumes very little power which makes it suitable for mobile devices. [A]
34. The Internet uses two main protocols: the Transmission Control Protocol (TCP) and the Internet Protocol (IP).
35. HTML is the Internet protocol used to transfer Web pages.
36. The three main elements of a Web server are the hardware, operating system software, and client software.
37. The Internet connects many different types of computers running different types of operating system software.
38. All electronic commerce solutions must at least provide a catalog display, shopping cart capabilities, and transaction processing.
39. Customer relationship management (CRM) software must obtain data from operations software that conducts activities such as sales automation, customer service center operations, and marketing campaigns.
40. When companies need to incorporate electronic commerce components, they may opt to run servers in-house; this is called self-hosting.
41. E-Bay.com is an example of a subscription revenue model.
42. One way to build customer loyalty is by providing repetition of satisfactory service.
43. PayPal is an example of an electronic cash payment system.
44. Companies have always found it relatively easy to get the right products to the right places at the best time to sell them.
45. Identifying specific portions of a market and targeting them with specific advertising messages is called market segmentation.
46. The Dutch auction is also called an ascending-price auction.

Continued....

47. In English auctions, bidders risk becoming caught up in the excitement of competitive bidding and then bidding more than their private valuations. This phenomenon is called the winner's curse.
48. Monetizing refers to the conversion of existing regular site where visitors seek for free information or services into fee-paying subscribers or purchasers of services.
49. A successful business plan for an electronic commerce initiative should include activities that identify the initiative's specific objectives and link those objectives to business strategies.
50. Managers and accountants use the term 'expected cost' to describe the foregone benefits that a company could have obtained from an electronic commerce initiative that they chose not to pursue.

Continued....

Section C: Short Answers, 4 Questions (40 Marks)

Instruction: Please write your answers in the Answer Booklet provided. Answer ALL questions.

Question 1

- a) Explain what you do understand by the term *channel conflict*. (2 marks)

- b) Explain briefly any **TWO** objectives of the business in creating an effective Web presence. (4 marks)

- c) Describe any **TWO** requirements for secure electronic commerce. (4 marks)

Question 2

- a) State the entity that can issue digital certificates to companies who apply for it. Briefly explain the application process. (4 marks)

- b) What are the steps involved in processing a payment card transaction? (6 marks)

Question 3

- a) Briefly describe the tangible and intangible benefits of developing an e-commerce Web site. (4 marks)

- b) Discuss any **THREE** important factors that should be evaluated when selecting a hosting service. (6 marks)

Question 4

- a) Explain what electronic marketplaces are and provide an example of electronic marketplace. (2 marks)

- b) For a marketing plan to be successful, the mix of the four Ps must be reflecting the wants and desires of the consumers in the target market. Briefly explain what are the Four Ps in a marketing plan. (8 marks)

End of Page