Chapter 13:

Electronic commerce and E-Business

## Multiple Choice:

1. Who founded Amazon.com?
   1. Steve Wozniak
   2. Jeff Bezos
   3. Phil Knight
   4. Steven Jobs

**Answer:** B **Reference:** Jeff Bezos: The Virtual Bookseller **Difficulty:** Easy

1. Traditional e-commerce tools include all of the following EXCEPT:
   1. fax communication.
   2. a local area network.
   3. a wide area network.
   4. printing system.

**Answer:** D **Reference:** Electronic Commerce in Perspective **Difficulty:** Easy

1. What involves sharing information, developing and maintaining business relationships, and the use of telecommunications networks to conduct business?
   1. E-commerce
   2. Business-to-business (B2B) commerce
   3. Business-to-consumer (B2C) commerce
   4. Consumer-to-consumer (C2C) commerce

**Answer:** A **Reference:** Electronic Commerce in Perspective **Difficulty:** Moderate

1. The World Wide Web was developed in the decade of the:
   1. 1960s.
   2. 1970s.
   3. 1980s.
   4. 1990s.

**Answer:** D **Reference:** Electronic Commerce in Perspective **Difficulty:** Moderate

1. The dot-com bust of 2000-2001 caused approximately \_\_\_\_\_\_\_\_\_\_\_ technology start-up businesses to close.
   1. 100
   2. 1,000
   3. 10,000
   4. 35,000

**Answer:** B **Reference:** Electronic Commerce in Perspective **Difficulty:** Moderate

1. Internet-based companies are often referred to as:
   1. technology-savvy companies.
   2. brick-and-mortar companies.
   3. Fortune 100 companies.
   4. dot coms.

**Answer:** D **Reference:** How E-Commerce is Transforming Business **Difficulty:** Easy

1. E-commerce sales currently account for approximately \_\_\_\_\_\_\_\_\_\_\_\_ percent of the U.S. economy.
   1. 5
   2. 10
   3. 25
   4. 35

**Answer:** A **Reference:** How E-Commerce is Transforming Business **Difficulty:** Moderate

1. In a survey of CEOs that asked how e-commerce has changed the way they do business, CEOs cited all of the following EXCEPT:
   1. boosted online sales.
   2. decreased productivity.
   3. improved relationships with customers and suppliers.
   4. created more efficient supply chains.

**Answer:** B **Reference:** How E-Commerce is Transforming Business **Difficulty:** Moderate

1. What did a University of Texas study find in regard to market share growth for Internet-based companies in comparison to U.S. businesses overall?
   1. Internet-based companies are two and a half times higher than U.S. businesses overall.
   2. Internet-based companies have about the same rate of market share growth.
   3. Internet-based companies have slightly less market share growth than U.S. businesses overall.
   4. Internet-based companies have ten times higher overall business growth.

**Answer:** A **Reference:** How E-Commerce is Transforming Business **Difficulty:** Moderate

1. The basic idea of \_\_\_\_\_\_\_\_\_\_\_\_ is that a minimum of two parties exchange products, services, and/or information using network technology.
   1. m-commerce
   2. e-commerce
   3. information interchange
   4. business-to-business structures

**Answer:** B **Reference:** E-Commerce Models **Difficulty:** Moderate

1. Business-to-employee (B2E) most closely equates to and is sometimes referred to as:
   1. consumer-to-consumer (C2C).
   2. business-to-consumer (B2C).
   3. business-to-business (B2B).
   4. consumer-to-business (C2B).

**Answer:** C **Reference:** E-Commerce Models **Difficulty:** Moderate

1. \_\_\_\_\_\_\_\_\_\_\_\_ refers to an intranet that handles activities that take place within an organization.
   1. C2C
   2. B2C
   3. B2B
   4. B2E

**Answer:** D **Reference:** E-Commerce Models **Difficulty:** Easy

1. An example of B2C is:
   1. a law firm buying computer software for employees.
   2. Wal-Mart buying pet food directly from Iams.
   3. a student buying a snowboard from burton.com.
   4. a university buying desks from a manufacturer.

**Answer:** C **Reference:** E-Commerce Models **Difficulty:** Easy

1. An example of C2C is:
   1. eBay.
   2. burton.com.
   3. Amazon.com.
   4. Yahoo!.

**Answer:** A **Reference:** E-Commerce Models **Difficulty:** Moderate

1. A \_\_\_\_\_\_\_\_\_\_\_\_ is a necessary part of an intranet.
   1. printer
   2. LAN with a minimum of ten PCs
   3. computer with server software
   4. mainframe

**Answer:** C **Reference:** Characteristics of a B2E Intranet **Difficulty:** Moderate

1. Most intranets use \_\_\_\_\_\_\_\_\_\_\_\_ topology to connect the nodes of the network.
   1. Ethernet
   2. fiber optic
   3. satellite
   4. wireless

**Answer:** A **Reference:** Characteristics of a B2E Intranet **Difficulty:** Moderate

1. The communication software that an intranet uses is known as:
   1. firmware.
   2. Ethernet software.
   3. NICware.
   4. middleware.

**Answer:** D **Reference:** Characteristics of a B2E Intranet **Difficulty:** Moderate

1. \_\_\_\_\_\_\_\_\_\_\_\_ manages the communication protocols for an intranet.
   1. Middleware
   2. TCP/IP
   3. Telecommunications
   4. NIC

**Answer:** B **Reference:** Characteristics of a B2E Intranet **Difficulty:** Moderate

1. What keeps unauthorized Internet users from accessing a computer?
   1. Middleware
   2. TIP/IP
   3. Firewall
   4. Secure wall

**Answer:** C **Reference:** Characteristics of a B2E Intranet **Difficulty:** Moderate

1. All of the following are examples of typical uses of an intranet EXCEPT:
   1. posting the employee handbook.
   2. allowing a group of employees to work on a file simultaneously.
   3. allowing customers to purchase products through the Web.
   4. posting changes in company health insurance policies.

**Answer:** C **Reference:** How Organizations Use B2E Intranets **Difficulty:** Easy

1. The connection of multiple private networks that can communicate through a private interorganizational information system is known as a(n):
   1. intranet.
   2. extranet.
   3. Internet.
   4. WAN.

**Answer:** B **Reference:** Extranets to Connect Business Alliances **Difficulty:** Moderate

1. A secure private network physically attaches intranets to an extranet through:
   1. coaxial cable.
   2. fiber optics.
   3. private leased phone lines.
   4. microwave and wireless transmissions.

**Answer:** C **Reference:** Characteristics of a B2B Extranet **Difficulty:** Moderate

1. A \_\_\_\_\_\_\_\_\_\_\_ network has fairly low security and is relatively inexpensive.
   1. public
   2. secure private
   3. virtual private
   4. Internet virtual private

**Answer:** A **Reference:** Characteristics of a B2B Extranet **Difficulty:** Moderate

1. Internet virtual private networks are preferred for extranets for all of the following reasons EXCEPT they are:
   1. relatively economical in comparison to other options.
   2. reasonably private.
   3. fairly secure.
   4. complex which makes them more secure.

**Answer:** D **Reference:** Characteristics of a B2B Extranet **Difficulty:** Moderate

1. The ability of Proctor & Gamble to have up-to-the-minute inventory information and to know when to ship more product to Wal-Mart is an example of:
   1. B2B.
   2. C2C.
   3. B2C.
   4. an expert system.

**Answer:** A **Reference:** How Business Alliances Use B2B Extranets **Difficulty:** Moderate

1. Electronic communication between Wal-Mart and Proctor & Gamble is an example of a(n):
   1. intranet.
   2. extranet.
   3. LAN.
   4. WAN.

**Answer:** B **Reference:** How Business Alliances Use B2B Extranets **Difficulty:** Moderate

1. A typical problem with extranets is:
   1. employees don’t trust the security provided.
   2. high cost.
   3. transaction costs are much higher than with traditional methods.
   4. extranet transactions are much slower than traditional methods.

**Answer:** A **Reference:** How Business Alliances Use B2B Extranets **Difficulty:** Moderate

1. The Global Trading Web Council involves companies from all of the following regions EXCEPT:
   1. Asia.
   2. North America.
   3. Europe.
   4. South America.

**Answer:** D **Reference:** How Business Alliances Use B2B Extranets **Difficulty:** Challenging

1. The primary obstacles that retails face in expansion of B2C e-commerce include all EXCEPT:
   1. ensuring safe transactions.
   2. ensuring private transactions.
   3. the complexity of Web pages.
   4. consumer perception of the safety of the Internet.

**Answer:** C **Reference:** Customer-Centered Web Design **Difficulty:** Moderate

1. An important Web site feature that companies use to foster customer loyalty is:
   1. allowing feedback from customers.
   2. creating multiple Web pages so customers do not get bored.
   3. creating complex Web pages.
   4. sending a thank-you e-mail after a purchase.

**Answer:** A **Reference:** Customer-Centered Web Design **Difficulty:** Easy

1. What does a company like UPS use to track packages through the transportation process?
   1. An extranet
   2. An intranet
   3. A VPN
   4. Bluetooth technology

**Answer:** D **Reference:** How It Works 13.1: Package Routing and Tracking **Difficulty:** Moderate

1. When a customer chooses an item for purchase on a Web site, the item is placed in a virtual:
   1. hand basket.
   2. paper bag.
   3. grocery bag.
   4. shopping cart.

**Answer:** D **Reference:** How It Works 13.2: Online Shopping **Difficulty:** Easy

1. A small Web file that contains information on particular items and is sent to and stored on a user’s computer is known as a(n):
   1. cookie.
   2. archived file.
   3. cracker.
   4. private security file.

**Answer:** A **Reference:** How It Works 13.2: Online Shopping **Difficulty:** Moderate

1. When a customer enters private credit card information on a Web site, it is:
   1. coded.
   2. encrypted.
   3. deciphered.
   4. programmed.

**Answer:** B **Reference:** How It Works 13.2: Online Shopping **Difficulty:** Moderate

1. Many small- and medium-sized businesses use e-commerce software developed by other businesses; these businesses therefore use:
   1. server software.
   2. server firewalls.
   3. Web client software.
   4. Web hosting service.

**Answer:** D **Reference:** Some Technical Requirements of E-Commerce **Difficulty:** Moderate

1. The Web Host Guild develops industry standards for:
   1. Web hosting companies.
   2. Web page design.
   3. hyperlinks and Web page graphics.
   4. ethical standards of e-commerce.

**Answer:** A **Reference:** Some Technical Requirements of E-Commerce **Difficulty:** Challenging

1. A business’ code of ethics should include all of the following EXCEPT information on:
   1. the organization’s privacy policy.
   2. the company’s intent to use personal information.
   3. how the company monitors Web usage behavior.
   4. how company employees should treat one another within a technical environment.

**Answer:** D **Reference:** Ethical Issues of E-Commerce **Difficulty:** Moderate

## Fill in the Blank:

1. \_\_\_\_\_\_\_\_\_\_\_\_, the revolutionary Internet bookseller, was founded in 1994.

**Answer:** Amazon.com **Reference:** Jeff Bezos: The Virtual Bookseller **Difficulty:** Easy

1. The principles of \_\_\_\_\_\_\_\_\_\_\_\_, conducting business transactions through telecommunications networks, are based on 50-year-old business practices.

**Answer:** e-commerce **Reference:** Electronic Commerce in Perspective **Difficulty:** Moderate

1. The term \_\_\_\_\_\_\_\_\_\_\_\_ is sometimes used interchangeably with the term e-commerce.

**Answer*:*** e-business **Reference:** Electronic Commerce in Perspective **Difficulty:** Moderate

1. Traditional businesses are also called \_\_\_\_\_\_\_\_\_\_\_\_ companies.

**Answer:** brick-and-mortar **Reference:** How E-Commerce is Transforming Business   
**Difficulty:** Moderate

1. \_\_\_\_\_\_\_\_\_\_\_\_ is connecting to the Internet and intranets through handheld computers, cell phones, and PDAs.

**Answer:** M-commerce or Mobile commerce **Reference:** How E-Commerce is Transforming Business **Difficulty:** Moderate

1. When a nursery buys from a farmer who grows plants specifically for nurseries, it is known as \_\_\_\_\_\_\_\_\_\_\_\_.

**Answer:** B2B or business-to-business **Reference:** E-Commerce Models **Difficulty:** Moderate

1. B2C stands for \_\_\_\_\_\_\_\_\_\_\_\_.

**Answer:** business-to-consumer **Reference:** E-Commerce Models **Difficulty:** Moderate

1. B2E stands for \_\_\_\_\_\_\_\_\_\_\_\_.

**Answer:** business-to-employee **Reference:** E-Commerce Models **Difficulty:** Moderate

1. C2C stands for \_\_\_\_\_\_\_\_\_\_\_\_.

**Answer:** consumer-to-consumer **Reference:** E-Commerce Models **Difficulty:** Moderate

1. An internal company network is known as a(n) \_\_\_\_\_\_\_\_\_\_\_\_.

**Answer:** intranet **Reference:** E-Commerce Models **Difficulty:** Easy

1. On a network, there is a computer with server software and computers with \_\_\_\_\_\_\_\_\_\_\_\_ software.

**Answer:** client **Reference:** Characteristics of a B2E Intranet **Difficulty:** Moderate

1. VPN stands for \_\_\_\_\_\_\_\_\_\_\_.

**Answer:** virtual private network **Reference:** Characteristics of a B2B Extranet **Difficulty:** Moderate

1. Information within a company is often stored in \_\_\_\_\_\_\_\_\_\_\_\_ that employees can access, depending on their positions within the company.

**Answer:** databases **Reference:** Information Access for Employees **Difficulty:** Moderate

1. To access information through an intranet, a user needs \_\_\_\_\_\_\_\_\_\_\_\_ software.

**Answer:** browser **Reference:** Internal Business Transactions **Difficulty:** Moderate

1. The enabling of business alliances with vendors and suppliers in a secure, private environment through technology is known as a(n) \_\_\_\_\_\_\_\_\_\_\_\_.

**Answer:** extranet **Reference:** Extranets to Connect Business Alliances **Difficulty:** Moderate

1. Business alliances with vendors, suppliers, and other organizations may also be referred to as a(n) \_\_\_\_\_\_\_\_\_\_\_\_.

**Answer:** e-marketplace **Reference:** Extranets to Connect Business Alliances **Difficulty:** Moderate

1. When a company uses private leased telephone lines to physically attach intranets to an extranet, this connection is referred to as a(n) \_\_\_\_\_\_\_\_\_\_\_\_ network.

**Answer:** secure or private **Reference:** Characteristics of a B2B Extranet **Difficulty:** Challenging

1. A well-designed Web page should include a tool to find product or service information within the Web site; this tool is known as a(n) \_\_\_\_\_\_\_\_\_\_\_\_.

**Answer:** search engine **Reference:** Customer-Centered Web Design **Difficulty:** Moderate

1. \_\_\_\_\_\_\_\_\_\_\_ is an example of an electronic payment system.

**Answer:** PayPal **Reference:** Customer-Centered Web Design **Difficulty:** Moderate

1. Message \_\_\_\_\_\_\_\_\_\_\_\_ standards use software to authenticate the parties involved in a credit card purchase on the Internet, thereby making Web transactions fairly secure.

**Answer:** encryption **Reference:** Customer-Centered Web Design **Difficulty:** Challenging

1. Three interactive features that enable users to provide feedback to a company are email, discussion groups, and \_\_\_\_\_\_\_\_\_\_\_\_.

**Answer:** chat rooms **Reference:** Customer-Centered Web Design **Difficulty:** Challenging

1. CRM stands for \_\_\_\_\_\_\_\_\_\_\_\_.

**Answer:** customer relationship management **Reference:** Customer Relationship Management **Difficulty:** Challenging

1. When an Internet shopper “proceeds to checkout,” a(n) \_\_\_\_\_\_\_\_\_\_\_\_ part of the Web site is accessed and personal data is encrypted.

**Answer:** secure **Reference:** How It Works 13.2: Online Shopping **Difficulty:** Easy

1. A confirmation \_\_\_\_\_\_\_\_\_\_\_ is sent to a consumer after a transaction has been approved and the order is filled.

**Answer:** email **Reference:** How It Works 13.2: Online Shopping **Difficulty:** Easy

1. Most Web servers use \_\_\_\_\_\_\_\_\_\_\_\_, Unix- or Linux-based operating systems.

**Answer:** Windows- **Reference:** Some Technical Requirements of E-Commerce  
**Difficulty:** Moderate

1. To make employees and customers clearly aware of a company’s Web policies and e-commerce policies, the company should publish a(n) \_\_\_\_\_\_\_\_\_\_\_\_ on its Web site.

**Answer:** code of ethics **Reference:** Ethical Issues of E-Commerce **Difficulty:** Moderate

1. The United States FTC, which stands for \_\_\_\_\_\_\_\_\_\_\_\_, handles complaints in regard to e-commerce business abuse of customers’ private and personal information.

**Answer:** Federal Trade Commission **Reference:** Ethical Issues of E-Commerce **Difficulty:** Moderate

## Matching:

1. Match the following e-commerce ethics issues, acts, and organizations to their descriptions:

I. European Union’s Data Protection Directive A. requires client confidentiality

II. COPPA B. responsibility of businesses to institute their own privacy and protection laws

III. Health Insurance Portability and C. requirement of parental consent before Accountability Act collecting, using, or disclosing personal information of children under age 13

IV. Self-regulation D. government agency that oversees e- commerce privacy violations

V. Federal Trade Commission E. legal protection of privacy of personal data

**Answers:** E, C, A, B, D **Reference:** Ethical Issues of E-Commerce **Difficulty:** Easy

1. Complete the following phrases for well-designed Web sites:

I. Speed of … A. Product selection

II. Large, up-to-date … B. Secure

III. Ease of… C. Transaction

IV. … transactions D. After-sale

V. … features E. Use

**Answers:** C, A, E, B, D **Reference:** Customer-Centered Web Design **Difficulty:** Moderate