

# CHAPTER 13:

## ELECTRONIC COMMERCE AND E-BUSINESS

### Multiple Choice:

1. \_\_\_\_\_ founded Amazon.com.

- A. Alan Kay
- B. Jeff Bezos
- C. Bill Gates
- D. Andy Grove

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

2. \_\_\_\_\_ refers to sharing information, developing and maintaining business relationships, and using telecommunications networks to conduct business.

- A. E-commerce
- B. M-commerce
- C. B2C
- D. C2C

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

3. The World Wide Web was developed in the:

- A. 1960s.
- B. 1970s.
- C. 1980s.
- D. 1990s.

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

4. \_\_\_\_\_ is defined as two or more parties exchanging products, services, and/or information using network technology.
- A. Netware
  - B. E-commerce
  - C. A neural network
  - D. A network operating system

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

5. Internet-based companies are often referred to as:
- A. CRMs.
  - B. brick-and-mortar companies.
  - C. Fortune 100 companies.
  - D. dot coms.

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

6. M-commerce stands for:
- A. management commerce.
  - B. macro commerce.
  - C. mobile commerce.
  - D. moderated commerce.

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

7. When Wal-Mart uses the Internet to purchase inventory items from a vendor company, it is using the \_\_\_\_\_ e-commerce model.
- A. C2C
  - B. B2B
  - C. B2E
  - D. B2C

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

8. B2E most closely equates to:

- A. C2C.
- B. B2C.
- C. B2B.
- D. C2B.

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

**Difficulty:** Moderate

9. An example of B2C is:

- A. a law firm buying computer software for employees.
- B. Wal-Mart buying pet food directly from the manufacturer, Iams.
- C. a student buying a T-shirt from the Lands' End website.
- D. a university buying desks from a manufacturer.

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

**Difficulty:** Easy

10. An example of C2C is:

- A. eBay.
- B. Microsoft.com.
- C. Amazon.com.
- D. United Airlines.

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

**Difficulty:** Moderate

11. All of the following are advantages of using an intranet EXCEPT:

- A. cross-platform capability.
- B. security restrictions so employees cannot access the company network from home.
- C. open standards.
- D. reduced hardware and software costs.

**Answer:** B      **Reference:** Intranets: E-Commerce to Support Internal Business Processes

**Difficulty:** Easy

12. Communication software for an intranet includes:

- A. TCP/IP.
- B. VPN.
- C. LAN.
- D. WAN.

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

**Difficulty:** Moderate

13. An intranet includes all of the following EXCEPT:

- A. middleware.
- B. TCP/IP software.
- C. firewalls.
- D. malware.

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

**Difficulty:** Moderate

14. A \_\_\_\_\_ is an essential component of an intranet.

- A. CRM
- B. LAN with a minimum of ten PCs
- C. computer with server software
- D. PDA

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

**Difficulty:** Moderate

15. Most intranets use \_\_\_\_\_ topology to connect the nodes of the network.

- A. Ethernet
- B. fiber optic
- C. satellite
- D. wireless

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

**Difficulty:** Moderate

16. \_\_\_\_\_ is communications software used by an intranet.

- A. Firmware
- B. Ethernet
- C. NICware
- D. Middleware

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

**Difficulty:** Moderate

17. \_\_\_\_\_ manages the communication protocols for an intranet.

- A. Middleware
- B. TCP/IP
- C. Telecommunications
- D. NIC

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

**Difficulty:** Moderate

18. \_\_\_\_\_ keeps unauthorized Internet users from accessing a computer.

- A. Middleware
- B. TCP/IP
- C. Firewalls
- D. Ethernet

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

**Difficulty:** Moderate

19. All of the following provide intranet security EXCEPT:

- A. data encryption.
- B. user authentication.
- C. firewall.
- D. data compression.

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

**Difficulty:** Moderate

20. All of the following are typical uses of an intranet EXCEPT:

- A. posting the employee handbook.
- B. allowing a group of employees to work on the same document.
- C. allowing customers to purchase products through the Web.
- D. posting changes to company policies.

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

21. A(n) \_\_\_\_\_ connects many private networks from different companies for communication through a private interorganizational information system.

- A. intranet
- B. extranet
- C. Internet
- D. WAN

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

22. Electronic communication between Wal-Mart and Proctor & Gamble is an example of a(n):

- A. intranet.
- B. extranet.
- C. neural network.
- D. CRM.

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

23. A secure private network physically attaches intranets to an extranet through:

- A. coaxial cables.
- B. fiber optics.
- C. private leased phone lines.
- D. microwave and wireless transmissions.

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

24. A \_\_\_\_\_ network is an extranet with poor security that is relatively inexpensive to set up and maintain.
- A. public
  - B. secure private
  - C. virtual private
  - D. Internet virtual private

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

25. Internet virtual private networks are preferred over extranets for all of the following reasons EXCEPT:
- A. data can be encapsulated.
  - B. communications are kept private.
  - C. good security.
  - D. use of inexpensive leased phone lines.

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

26. 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:
- A. B2B.
  - B. C2C.
  - C. B2C.
  - D. m-business.

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

27. When ordering a new computer from Dell's website, the individual is initiating a(n) \_\_\_\_\_ transaction on the Internet.
- A. B2C
  - B. C2C
  - C. B2B
  - D. B2E

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

28. While shopping online, \_\_\_\_\_ are used to keep track of what the customer has placed in the “shopping cart”.
- A. spiders
  - B. cookies
  - C. registers
  - D. proxy servers

**Answer:** B     **Reference:** How it Works: Online Shopping     **Difficulty:** Easy

29. When a customer chooses an item for purchase on a Web site, the item is placed in a virtual:
- A. basket.
  - B. shopping bag.
  - C. box.
  - D. shopping cart.

**Answer:** D     **Reference:** How it Works: Online Shopping     **Difficulty:** Easy

30. A \_\_\_\_\_ stores a user preference for a particular website on the user’s computer.
- A. cookie.
  - B. VPN file.
  - C. web authoring tool.
  - D. WAV file.

**Answer:** A     **Reference:** How it Works: Online Shopping     **Difficulty:** Moderate

31. When you purchase an item from eBay, the electronic payment can be facilitated using:
- A. SQL.
  - B. ListServ.
  - C. PayPal.
  - D. CRM.

**Answer:** C     **Reference:** How it Works: Using PayPal for Electronic Payments **Difficulty:** Easy

32. When a home-based businesses uses e-commerce software developed by another company; it is using a(n):
- A. CRM system.
  - B. FireWire.
  - C. ARPAnet.
  - D. Web hosting service.

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

33. A code of ethics should address all of the following EXCEPT for:
- A. policy on privacy.
  - B. permission to record personal information.
  - C. intended use of recorded personal information.
  - D. scalability.

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

34. A company's e-commerce policies and consumer information privacy should be addressed in a(n):
- A. information code of ethics
  - B. CRM
  - C. Information firewall
  - D. VPN.

**Answer:** A      **Reference:** Ethical Issues of E-Commerce      **Difficulty:** Easy

35. The \_\_\_\_\_ requires health care providers and hospitals to protect the confidentiality of an individual's health information.
- A. ACM Code of Ethics
  - B. Intellectual Property Act
  - C. National Infrastructure Protection Center
  - D. Health Insurance Portability and Accountability Act

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

36. The European Union's \_\_\_\_\_ establishes a high level of legal protection for the privacy of individuals and personal data.
- A. Health Insurance Portability and Accountability Act
  - B. National Infrastructure Protection Center
  - C. Data Protection Directive
  - D. Code of Ethics

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

37. The Children's \_\_\_\_\_ of 1998 requires certain commercial Web sites to obtain parental consent before collecting, using, or disclosing personal information about children under 13.
- A. Online Privacy Protection Act
  - B. Data Protection Directive
  - C. National Infrastructure Protection Center
  - D. Code of Ethics

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

**Fill in the Blank:**

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

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

39. The principles of \_\_\_\_\_, conducting business transactions through telecommunications networks, became Internet based in the 1990s.

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

40. Internet-based companies are referred to as \_\_\_\_\_.

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

41. \_\_\_\_\_ is a new growing type of e-commerce using small computers, cellular phones, PDAs, etc. connected to the Internet or an intranet.

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

42. A family owned traditional restaurant is an example of a \_\_\_\_\_ and mortar company.

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

43. When a sports store uses network technology to buy inventory items directly from the manufacturer, it is using the e-commerce model known as \_\_\_\_\_.

**Answer:** B2B                      **Reference:** E-Commerce Models                      **Difficulty:** Moderate

44. B2C stands for \_\_\_\_\_.

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

45. B2E stands for \_\_\_\_\_.

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

46. C2C stands for \_\_\_\_\_.

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

47. An internal company network available through a Web browser is known as a(n) \_\_\_\_\_.

**Answer:** intranet                      **Reference:** Characteristics of a B2E Intranet                      **Difficulty:** Easy

48. An intranet includes at least one server connected to many computers with \_\_\_\_\_ software installed.

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

49. Most intranets use \_\_\_\_\_ topology to connect the computers, printers and other peripherals physically.

**Answer:** Ethernet                      **Reference:** Characteristics of a B2E Intranet                      **Difficulty:** Challenging

50. \_\_\_\_\_ is communications software that handles the actual physical connections between all devices on an intranet.

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

51. An intranet uses \_\_\_\_\_ software to handle the protocols for communications among the computers on the network.

**Answer:** TCP/IP                      **Reference:** Characteristics of a B2E Intranet                      **Difficulty:** Challenging

52. A(n) \_\_\_\_\_ is a private interorganizational information system connecting the intranets of two or more companies.

**Answer:** extranet or e-marketplace **Reference:** Extranets to Connect Business Alliances **Difficulty:** Easy

53. A(n) \_\_\_\_\_ network uses privately leased phone lines to physically connect intranets.

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

54. A(n) \_\_\_\_\_ network uses special protocols on a public network to provide a secure “personal tunnel” between intranets.

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

55. VPN stands for \_\_\_\_\_.

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

56. Organizations can set up an extranet as a(n) \_\_\_\_\_ network using a public network with special protocols so that there is a secure “tunnel” connecting the intranets of business partners.

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

57. A(n) \_\_\_\_\_ provides a secure, private environment for communication between vendors and suppliers.

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

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

**Answer:** e-marketplace      **Reference:**      **Difficulty:** Moderate

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

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

60. CommerceOne, an e-commerce software and services company is developing a multi-industry worldwide extranet called \_\_\_\_\_.

**Answer:** Global Trading Web      **Reference:** How Business Alliances Use B2B Extranets      **Difficulty:** Challenging

61. While customers shop online, \_\_\_\_\_ keep track of web pages visited and contents of the “shopping cart.”

**Answer:** cookies      **Reference:** How it Works: Online Shopping      **Difficulty:** Easy

62. When a customer shops online, a confirmation \_\_\_\_\_ is sent to the customer once the transaction has been accepted.

**Answer:** email      **Reference:** How it Works: Online Shopping      **Difficulty:** Easy

63. The \_\_\_\_\_ is a consortium of Web hosting companies whose purpose is to protect consumers from unscrupulous host providers.

**Answer:** Web Host Guild      **Reference:** Some Technical Requirements of E-Commerce

**Difficulty:** Challenging

64. With regard to privacy standards, the U.S. prefers a policy of \_\_\_\_\_, as opposed to legislation, because companies fear that legislation will quash e-commerce.

**Answer:** self-regulation      **Reference:** Ethical Issues or E-Commerce      **Difficulty:** Moderate

65. A typical \_\_\_\_\_ system uses a database to record customer preferences and purchases.

**Answer:** CRM      **Reference:** Customer Relationship Management      **Difficulty:** Moderate

66. CRM stands for \_\_\_\_\_.

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

**Difficulty:** Challenging

67. \_\_\_\_\_ is the ability to expand to handle increases in capacity.

**Answer:** Scalability      **Reference:** Some Technical Requirements of E-Commerce

**Difficulty:** Moderate

68. The consortium of Web hosting companies is called the \_\_\_\_\_.

**Answer:** Web Host Guild      **Reference:** Some Technical Requirements of E-Commerce

**Difficulty:** Challenging

69. A(n) \_\_\_\_\_ service provides e-commerce software and expertise for an online business.

**Answer:** Web hosting      **Reference:** Some Technical Requirements of E-Commerce

**Difficulty:** Moderate

70. To make employees and customers clearly aware of a company's Web 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

71. The \_\_\_\_\_ Act requires health care providers and hospitals to protect the confidentiality of an individual's health information.

**Answer:** Health Insurance Portability and Accountability      **Reference:** Ethical Issues of E-Commerce

**Difficulty:** Moderate

72. The \_\_\_\_\_ Act of 1998 requires certain commercial Web sites to obtain parental consent before collecting, using, or disclosing personal information about children under 13.

**Answer:** Children's Online Privacy Protection      **Reference:** Ethical Issues of E-Commerce

**Difficulty:** Challenging

73. In 1998, the \_\_\_\_\_ Directive established a high level of legal protection for the privacy of individuals and personal data within the EU.

**Answer:** Data Protection

**Reference:** Ethical Issues of E-Commerce

**Difficulty:** Challenging

**Matching:**

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

- |  |   |
|--|---|
| I. European Union's Data Protection Directive            | A. protects privacy of medical information  |
| II. COPPA  | B. requires parental consent before collecting, using, or disclosing personal information of children under age 13. |
| III. Health Insurance Portability and Accountability Act | C. government agency that oversees e-commerce privacy violations  |
| IV. Federal Trade Commission                             | D. adopted in 1998 establishing a high level of legal protection of personal data                                   |

**Answers:** D, B, A, C

**Reference:** Ethical Issues of E-Commerce

**Difficulty:** Easy

75. Match the following terms to their meanings:

- |            |   |
|------------|---|
| I. CRM     | A. allows staff members access to the organization's intranet from home |
| II. TCP/IP | B. secure "tunnel" through the Internet or between intranets            |
| III. B2E   | C. administers customer relationships in an organized manner            |
| IV. VPN    | D. facilitates communication using a set of network protocols           |
| V. B2B     | E. companies provide goods or services to other companies               |

**Answer:** C, D, A, B, E

**Reference:** Multimedia

**Difficulty:** Easy