

FINAL
Examination Paper

(COVER PAGE)

Session : April 2016

Programme : Diploma In Information And Communication Technology (DICTN)

Course : **ICT2107B: E-Commerce Theory And Applications**

Date of Examination : 27 July, 2016 (Wednesday)

Time : 5:00pm – 7:00pm Reading Time : Nil

Duration : 2 Hours

Special Instructions :

Answer any **FOUR (4)** questions.

Materials permitted : Nil

Materials provided : Nil

Examiner(s) : **Shee Fui Chie** and Kavitha Thamadharan

Moderator : Noor Hasrina

This paper consists of 5 printed pages, including the cover page

DIPLOMA IN INFORMATION AND COMMUNICATION TECHNOLOGY (DICTN)
ICT2107B: E-COMMERCE THEORY AND APPLICATIONS
FINAL EXAMINATION: APRIL 2016 SESSION

Instruction: This paper consists of **SIX (6) questions**. Answer any **FOUR (4)** questions in the answer booklet provided. All questions carry equal marks.

Question 1

- (a) Define the term electronic commerce. (3 marks)
- (b) List **THREE (3)** types of e-commerce organizations. Provide **ONE (1)** advantage for each type of organization. (6 marks)
- (c) Name and explain any **FIVE (5)** kinds of electronic commerce application. (10 marks)
- (d) One of the characteristics of e-commerce is to provide 365/24 business opportunities. Explain how this is achieved through e-commerce. (6 marks)

(Total: 25 marks)

Question 2

PetSmart is a B2C e-tailer. It operates in the specialty retail marketplace, and focuses on the pet supplies niche. PetSmart is the leading online pet supply company; many of its original online competitors, such as Pets.com and Petstore.com, have gone out of business. Its main competitors appear to be local pet stores and pet supply catalogs and PetSmart's main comparative advantage is its brand name. PetSmart appears to be using a "bricks and clicks" market strategy; it started as a traditional pet supplies retailer with over 500 physical "superstores" and leveraged its brand to the online environment. Its marketing strategies include: pricing (low prices); providing interesting content and community on its Web site for its target market; affiliate marketing; and e-mail marketing through free e-mail newsletters. Information about PetSmart's management team and organizational structure is available in "About Us" page.

- (a) Identify PetSmart's main customer value proposition. (3 marks)

- (b) Refer to the case above, what is the revenue model used by PetSmart? (2 marks)
 - (c) PetSmart's web site performance can be improved with a good Web site design. Identify and describe any **FIVE (5)** significant factors impacting Web site design. (10 marks)
 - (d) Propose any **FIVE (5)** web site content features that suit the needs of PetSmart. (10 marks)
- (Total: 25 marks)**

Question 3

- (a) E-banking is for the process by which a customer may perform banking transactions electronically. List **FIVE (5)** advantages of e-banking. (10 marks)
 - (b) When an organization buys the goods and services from its suppliers, and sells them to customers after adding values to it. This organization is said to be located in a value chain.
 - (i) Define the term value chain with a diagram. (3 marks)
 - (ii) What is the difference between primary activities and support activities in a value chain? (4 marks)
 - (iii) Provide any **TWO (2)** activities for each of the primary activities and support activities in a value chain. (4 marks)
 - (c) Web hosting servers act as a storage center for your website's content, they differ in the amount of space, control, and reliability they offer. Identify **TWO (2)** possible options to host your website to anyone that visits it. (4 marks)
- (Total: 25 marks)**

Question 4

- (a) Internet privacy involves the right of personal privacy over the Internet. It is the claim of individuals or groups to decide when and to what extent information is communicated to others. Name and explain **FIVE (5)** basic ethical principles on collection and use of personal information. (10 marks)
- (b) Online credit card is one of popular e-payment tool. There are **FIVE (5)** steps in developing e-commerce security. List and describe the steps. (10 marks)
- (c) When customers are shopping online, security is one of their biggest concerns. As an information technology consultant to the company, you are required to identify any **FIVE (5)** possible security threats to the e-commerce web site. (5 marks)
- (Total: 25 marks)**

Question 5

- (a) In business world, there are many other companies selling similar products and operating in the same marketplace. Competitive environment is influenced by many reasons. Being as one of the leading airlines company in Malaysia, explain any **FIVE (5)** competitive advantage strategies that have been taken by AirAsia to achieve their mission. (10 marks)
- (b) Porter's Five Forces is a framework that attempts to analyse the level of competition within an industry and business strategy development. List and explain the **FIVE (5)** forces of Porters. (10 marks)
- (c) A revenue model describes how a business generates revenue streams from its products and services. Suggest **ONE (1)** possible revenue model for the following business models:
- (i) E-tailer
 - (ii) Content Provider
 - (iii) Transaction Broker
 - (iv) Market Creator
 - (v) Service Provider
- (5 marks)
- (Total: 25 marks)**

Question 6

- (a) E-commerce websites use electronic shopping carts to facilitate purchasing by online shoppers.
- (i) State any **THREE (3)** components of an electronic shopping cart. (3 marks)
 - (ii) Identify **THREE (3)** types of electronic shopping carts software. (3 marks)
- (b) Market segmentation is a process of dividing consumer market into logical groups for conducting market research and analyzing personal information.
- (i) What is the purpose of market segmentation? (2 marks)
 - (ii) List and explain **FOUR (4)** types of market segmentation. (8 marks)
 - (iii) Identify **TWO (2)** ways of conducting the market research online. (4 marks)
- (c) Classify the type of the data mining for the following scenario:
- (i) The marketing manager needs to know how much a given customer will spend during a sale at his company.
 - (ii) We are recording sales of a big shopping store in databases, then by applying association mining we may discover that certain items have a strong bondage or affinity with each other such that when one item is purchased the other is purchased, too.
 - (iii) Three classes in a sales campaign may be 'good response', 'mild response' and 'no response' and different features of items such as 'price', 'brand', 'category' etc. Can be found as predictors by the algorithm.
 - (iv) Outlier detection applications such as detection of credit card fraud.
 - (v) 40% of the people who bought the first volume of Lord of the Rings came back to buy the second volume a month later.

(5 marks)

(Total: 25 marks)

