1. Because e-commerce is ubiquitous it reduces
A. marketspace.
B. transaction costs.
C. dynamic pricing.
D. price discrimination.

2. The ability of consumers to use the Internet to discover the actual costs merchants pay for products is called
A. search costs.
B. information density.
C. cost transparency.
D. market entry costs.

3. Changing the delivered product or service based on a user's preferences or prior behavior on the Internet is called
A. information richness.
B. information density.
C. personalization.
D. customization.

4. Pricing a product or service on the Internet according to changing supply and demand situations is referred to as
A. dynamic pricing.
B. personalization.
C. customization.
D. price discrimination.

5. Removing the middleman and selling directly to a consumer in a digital marketplace is called
A. ubiquity.
B. disintermediation.
C. reintermediation.
D. marketspace.

6. Members of these sites spend hours surfing pages, checking out other members, and exchanging messages, and they reveal a great deal of information about themselves.
A. business-to-consumer e-commerce
B. consumer-to-consumer e-commerce
C. social networking
D. online syndicators

7. A method of publishing audio broadcasts via the Internet, which can later be downloaded to portable music players is
A. Streaming.
B. Blogging.
C. Uploading.
D. Podcasting.

8. Businesses use this technique to help create unique personalized Web pages for each user.
A. Clickstream tracking
B. Collaborative filtering
C. Mobile commerce
D. Banner ads

9. A personal Web page that typically contains a series of chronological entries by its author, and linked to related Web pages is called a
A. private industrial exchange.
B. Blog.
C. social networking site.
D. electronic data interchange.
10. Currently, the fastest-growing type of business-to-business e-commerce is:
   A. Electronic data interchanges.
   B. Net marketplaces.
   C. Private exchanges.
   D. Peer-to-peer networks.

11. Single, digital marketplaces based on Internet technology for many different buyers to many sellers are called
   A. electronic data interchanges.
   B. Biosphere.
   C. Call centers.
   D. net marketplaces.

12. Web sites specifically designed for m-commerce are called
   A. wireless portals.
   B. online syndicators.
   C. private exchanges.
   D. B2C e-commerce sites.

13. This electronic payment system extends the functionality of credit cards so they can be used for online shopping payments.
   A. Digital wallets
   B. Digital credit cards
   C. Smart cards
   D. Digital cash

**Answer of Multiple Choice Questions**

1. (B) 2. (C) 3. (D) 4. (A) 5. (B) 6. (C) 7. (D) 8 (A) 9 (B) 10 (C) 11(D) 12(A) 13(B)

1. Which is the most realistic relationship between these two concepts?
   A. E-commerce has some overlap with e-business.
   B. E-commerce is broadly equivalent to e-business.
   C. E-business is a subset of e-commerce.
   D. E-commerce is a subset of e-business.

2. Sell-side e-commerce is:
   A. an organization using electronic media to purchase from to its suppliers.
   B. any electronically mediated communication between an organization and its stakeholders.
   C. an organization using electronic media to sell direct to its customers.
   D. the use of electronic communications for all business processes.

3. E-business is:
   A. an organization using electronic media to sell direct to its customers.
   B. any electronically mediated communication between an organization and its stakeholders.
   C. the use of electronic communications for all business processes.
   D. an organization using electronic media to purchase from to its suppliers.

4. E-commerce is:
   A. any electronically mediated communication between an organization and its stakeholders.
   B. an organization using electronic media to purchase from to its suppliers.
   C. the use of electronic communications for all business processes.
   D. an organization using electronic media to sell direct to its customers.
5. Buy-side e-commerce is:
   A. an organization using electronic media to purchase from to its suppliers.
   B. the use of electronic communications for all business processes.
   C. an organization using electronic media to sell direct to its customers.
   D. any electronically mediated communication between an organization and its stakeholders.

6. An example of a communications benefit from creating an e-commerce website is:
   A. more rapid response to customer enquiries.
   B. lower paper costs needed for marketing and fewer staff needed in contact centre.
   C. the ability to reach overseas markets without a sales presence.
   D. tracking of number of customers using different parts of site.

7. An example of a capability benefit from creating an e-commerce website is:
   A. the ability to reach overseas markets without a sales presence.
   B. tracking of number of customers using different parts of site.
   C. lower paper costs needed for marketing and fewer staff needed in contact centre.
   D. more rapid response to customer enquiries.

8. An example of a cost-savings benefit from creating an e-commerce website is:
   A. more rapid response to customer enquiries.
   B. lower paper costs needed for marketing and fewer staff needed in contact centre.
   C. the ability to reach overseas markets without a sales presence.
   D. tracking of number of customers using different parts of site.
   E. none of the above.

9. An example of a control benefit from creating an e-commerce website is:
   A. more rapid response to customer enquiries.
   B. the ability to reach overseas markets without a sales presence.
   C. lower paper costs needed for marketing and fewer staff needed in contact centre.
   D. tracking of number of customers using different parts of site.

10. To determine demand for Internet services in a market, companies should survey:
    A. percentage who have access to the Internet.
    B. number in market.
    C. percentage use the Internet to inform their buying decision.
    D. all of the above.

**Answer of Multiple Choice Questions**
1. (D)  2. (C)  3. (C)  4. (A)  5. (A)  6. (A)  7. (A)  8. (B)  9. (D)  10. (D)

1. A key feature of electronic communications and digital technology is that they increase dynamism within the marketplace so that it does not remain static. According to Hitwise in 2010, what were the most popular sites?
   A. Search engines
   B. Social network
   C. Online gambling
   D. Retail outlets

2. Organisations that monitor and respond to changes in their online marketplace have the greatest opportunity to use digital technologies to compete effectively. The process of continuously monitoring the environment and events and responding appropriately is known as:
   A. Situation analysis
   B. Environmental scanning and analysis
   C. Internet usage auditing
   D. None of the above
3. The capacity to respond to environmental threats and opportunities is commonly known as:
   A. Strategic agility
   B. SWOT analysis
   C. Disruptive technology
   D. Online marketplace analysis

4. Analysis of the online marketplace is integral to developing a long-term e-business strategy or creating a shorter term digital marketing campaign. To help understand links between online businesses and traffic flows, this analysis can examine main elements in what is known as:
   A. A clickthrough analysis
   B. An online marketplace map
   C. A generic and product specific search procedure
   D. A customer segment flow chart

5. The main elements of an online marketplace or 'marketspace' map are:
   A. Search intermediaries
   B. Customer segments
   C. Destination sites
   D. All of the above

6. The electronic marketplace channel structures describe the ways that products and services are delivered to customers by manufacturers or selling organisations. Which one of the following terms refers to 'cutting out the middleman'?
   A. Countermediation
   B. Disintermediation
   C. Countermediation
   D. None of the above

7. Online purchasers would generally use a combination of channels before completing their transaction rather than use the Internet in isolation. What would you call a strategy that considers how different marketing channels should integrate and support each other in terms of their development and communications based on their relative merits for the customer and the company?
   A. A multi-channel marketing strategy
   B. Multi-channel customer journey
   C. The customer journey
   D. Marketplace channel mapping

8. Identifying different types of online intermediaries as potential partners to promote an e-business is a key part of marketplace analysis but what would be an example of an infomediary?
   A. All of the below
   B. E-mail list brokers
   C. Advertising networks (e.g. Doubleclick)
   D. Online audience panels (e.g. Hitwise)

9. Intermediaries vary in scope and the services they provide and many different types have evolved and terms to describe them. Marketeers would need to understand these terms and an easy question to start with. Which of the following are search engines?
   A. Baidu
   B. Google
   C. Ask
   D. They all are

10. While search engines index registered sites which users search by inputting key words, which type of intermediary updates its content typically through text but can include video or audio delivered through RSS feeds?
    A. Directory
B. Publisher site
C. Access portal
D. Blog

11. A summary of how a company will generate a profit identifying its core product, target customers, position in the online marketplace, and projections for revenue and costs is known as:
   A. Value chain and marketplace positioning
   B. Online business model
   C. Revenue model and cost base
   D. Value proposition

12. For a publisher, many options exist for generating income online based around advertising and fees for usage of the online service. Which of the following describes the cost to the advertiser or the revenue received by the publisher for each outcome such as a lead or sale generated after a click to a third-party site?
   A. Cost per click - CPC
   B. Cost per acquisition - CPA
   C. Digital rights management
   D. Cost per thousand - CPM

13. The success of eBay has highlighted the success of auction business models for the Internet. Klein in 1997 identified which different roles for auctions?
   A. Distribution and coordination mechanisms
   B. Price discovery
   C. Efficient allocation mechanisms
   D. All of the above

14. When does a 'bricks and mortar' enterprise become known as clicks and mortar'?
   A. None of the below
   B. When a business has principally an online presence
   C. When a business combines an online and offline presence
   D. A traditional business with limited online presence

15. There are different auction business models and one that can be seen in business-to-business is a reverse auction is. Which of the following is more applicable?
   A. Is always run through a B2B marketplace
   B. It is the same as a seller auction
   C. It is intended to reduce the price by increasing competition between suppliers
   D. None of the above

Answer of Multiple Choice Questions
1. (B) 2. (B) 3. (A) 4. (B) 5. (D) 6. (B) 7. (A) 8. (A) 9. (D) 10. (D) 11(B) 12(B) 13(D) 14(C) 15(C)

1. The online value proposition should:
   A. supported by appropriate resource levels
   B. target market segment(s) that the proposition will appeal to
   C. be a clear differentiator from online competitors
   D. all of the above

2. What does the following definition refer to?
   'Achieving marketing objectives through the use of any electronic communications technology'
   A. E-business
   B. Internet marketing
3. Using the Internet for marketing research to find out customers needs and wants is an example of:
   A. satisfying customer requirements
   B. anticipating customer requirements
   C. identifying customer requirements
   D. none of the above

4. Assessing the demand for digital services (the online revenue contribution) is an example of:
   A. satisfying customer requirements
   B. identifying customer requirements
   C. anticipating customer requirements
   D. none of the above

5. Delivering e-mail based customer support is an example of:
   A. identifying customer requirements
   B. satisfying customer requirements
   C. anticipating customer requirements
   D. none of the above

6. What is the focus of marketing orientation?
   A. Suppliers
   B. Employees
   C. Customers
   D. Competitors

7. E-marketing is best seen as:
   A. a subset of e-business
   B. broader than e-business
   C. the same as e-commerce
   D. equivalent to e-business

8. The e–marketing plan has:
   A. none of the above
   B. the same objectives as the e-business plan
   C. the same objectives as the marketing plan
   D. objectives which support the objectives of other organisational plans

9. The direct online contribution effectiveness refers to:
   A. the reach of audience volume of a site
   B. the proportion of sales influenced by the web site
   C. the proportion of business turnover achieved by e-commerce transactions
   D. both the first and third answers above

10. Which is not one of the elements of a company’s external micro-environment that need to be assessed during situation analysis for e-marketing?
    A. Intermediary analysis
    B. Competitor analysis
    C. Demand analysis
    D. Supplier analysis

**Answer of Multiple Choice Questions**
1. (D) 2. (C) 3. (C) 4. (C) 5. (C) 6. (C) 7. (A) 8 (D) 9 (C) 10 (D)
1. The direct online contribution effectiveness refers to:
   A. the proportion of business turnover achieved by e-commerce transactions.
   B. the proportion of sales influenced by the website.
   C. the reach of audience volume of a site.
   D. none of the above

2. Achieve a direct online revenue contribution of 15% by 2014. This objective is an example of which of the following?
   A. Serve.
   B. Speak.
   C. Sell.
   D. Save.

3. Increase the awareness of the website to 80% of customer base by 2014. This objective is an example of which of the following?
   A. Serve.
   B. Sell.
   C. Save.
   D. Speak.

4. Increase the brand favorability and customer satisfaction with the site. This objective is an example of which of the following?
   A. Speak.
   B. Sell.
   C. Serve.
   D. Sizzle.

5. Matching of internal resources against external demands forms part of. This objective is an example of which of the following?
   A. Objective setting.
   B. Situation analysis.
   C. Strategy.
   D. Tactics.

6. Developing a plan for search engine marketing forms part of. This objective is an example of which of the following?
   A. Tactics.
   B. Objective setting.
   C. Strategy.
   D. Situation analysis.

7. The situation analysis which involves reviewing the online marketplace and internal situation is:
   A. competitor analysis.
   B. demand analysis.
   C. stage model analysis.
   D. Internet SWOT analysis.

8. The situation analysis which involves benchmarking site characteristics is:
   A. demand analysis.
   B. competitor analysis.
   C. Internet SWOT analysis.
   D. stage model analysis.

9. The typical stages in development of an online presence for a retailer are:
   A. transactions, image and product information, information collection, customer support.
10. The aspect of the online marketing mix that most closely relates to online branding is:
   A. Product.
   B. Promotion.
   C. Place.
   D. Price.

11. The aspect of the online marketing mix that most closely relates to selection of the form of communication tools to encourage visitors to a site is:
   A. Product.
   B. Promotion.
   C. Price.
   D. Place.

12. The Place element of the marketing mix, when viewed from the customer perspective, refers to:
   A. convenience in selecting products.
   B. cost to the customer.
   C. communication explaining the offering.
   D. customer needs and wants.

13. The Product part of the marketing mix, when viewed from the customer perspective, refers to:
   A. convenience in selecting products.
   B. customer needs and wants.
   C. cost to the customer.
   D. communication explaining the offering.

14. The main outcome that is required from the owner of a media site is to:
   A. connect audience with relevant content.
   B. generate potential sales leads which are likely to be converted offline.
   C. increase engagement with audience.
   D. achieve a sale.
   E. none of the above.

15. The main outcome that is required from the owner of a media site is to:
   A. generate potential sales leads which are likely to be converted offline.
   B. connect audience with relevant content.
   C. achieve a sale.
   D. increase engagement with audience.
   E. none of the above.

**Answer of Multiple Choice Questions**
1. (A)  2. (C)  3. (D)  4. (D)  5. (B)  6. (A)  7. (D)  8. (B)  9. (D)  10. (A)  11.(B)  12.(A)
13(B) 14.(C) 15.(D)

1. Which of the following is not a common use of smart cards?
   A. Loyalty programs
   B. PC replacement
   C. Transportation identification
   D. Financial cards

2. Which of the following is not an example of an e-payment?
A. Smart cards
B. Cash
C. Digital checks
D. Electronic billing

3. Which of the following is not one of the parties usually associated with electronic payments?
   A. Issuer
   B. Customer/payer/buyer
   C. Enforcer
   D. Regulator

4. Business A provides a system of credits that allow other businesses to make online purchases. What role is Business A performing?
   A. Issuer
   B. Customer/payer/buyer
   C. Merchant/payee/seller
   D. Regulator

5. When referring to the key issues in trust in electronic payments, what do the letters in the acronym P.A.I.N. stand for?
   A. Privacy, Authentication, Integrity and Nonrepudiation
   B. Privacy, Authentication and authorization, Identity and Nonrepudiation
   C. Privacy, Authentication and authorization, Integrity and Nonrepudiation
   D. Privacy, Authentication, Identity and Nonrepudiation

6. Which of the following is not one of the four basic parts of cryptography?
   A. Plaintext
   B. Ciphertext
   C. Key
   D. Symmetric key

7. The mathematical formula used to encrypt information is what part of cryptography?
   A. Plaintext
   B. Ciphertext
   C. Encryption algorithm
   D. Key

8. Which of the following is not one of the major types of payment cards?
   A. Credit cards
   B. Charge cards
   C. Flip cards
   D. Debit cards

9. Mike has an e-card that stores his medical records. What type of smart card is he using?
   A. Integrated circuit microprocessor card
   B. Integrated circuit memory card
   C. Optical memory card
   D. Contactless card

10. Jackie has an e-card that she uses to purchase office supplies for the company she works for. What type of smart card is she using?
    A. Credit card
    B. Purchase card
    C. Smart card
    D. Contact card
11. Morgan has an e-card that he uses to access different parts of his company's R&D offices. What type of smart card is he using?
   A. Credit card
   B. Purchase card
   C. Smart card
   D. Contact card

12. Jackie has an e-card that she waves at the turnstile to enter the subway. What type of smart card is she using?
   A. Credit card
   B. Purchase card
   C. Contact card
   D. Contactless card

**Answer of Multiple Choice Questions**
1. (B)  2. (B)  3. (C)  4. (A)  5. (C)  6. (D)  7. (C)  8. (C)  9. (C)  10 (B)  11 (C)  12 (D)