

Ds, ch. 10



**ASSIGN
BUSTER**

- 1) E-commerce refers to the use of any networking technologies to transact business. False
- 2) Consumer e-commerce is still growing at approximately 25% annually. False
- 3) The Internet shrinks information asymmetry. True
- 4) Eighty-five percent of online retailers now have m-commerce Web sites. FALSE
- 5) All previous mass media in modern history, including the printing press, use a broadcast model where content is created in a central location by experts. True
- 6) Disintermediation provides major benefits to the distributor. False
- 7) In general, for digital goods, the marginal cost of producing another unit is about zero True
- 8) Telecommunications hardware and software is typically the least costly portion of a Web site budget true
- 9) An example of the content provider business model is Barnesandnoble.com, a retailer of printed books. false
- 10) Amazon's recommender system is an example of the network notification feature of social e-commerce. False
- 11) Podcasting allows subscribers to listen to live, streaming radio and other audio content. false

12) Intellectual property refers to all forms of human expression, both tangible and intangible. false

13) Ninety-six percent of all U. S. households with Internet access use a broadband connection. true

14) Behavioral targeting occurs at two levels: individual Web sites and through ISPs. false

15) EDI standards that take advantage of network communications have yet to be fully implemented at the industry level. false

16) Net marketplaces may either support contractual purchasing based on long-term relationships with designated suppliers or short-term spot purchasing true

17) Exchanges have become one of the most popular types of Net marketplace because they encourage competitive bidding that drives prices down. false

18) Automobile manufacturing is an example of a vertical market. true

19) In general, the cost of hardware, software, and telecommunications for building and operating a Web site has fallen by over 50 percent since 2000. true

20) Because of outsourcing and increased automation, the costs of system maintenance and content creation have fallen and typically make up less than a quarter of Web site budgets. false

21) Through what channel did e-commerce first evolve?

- A) online advertising sales
- B) Internet portals
- C) online book sales
- D) Internet service providersA

22) Which of the following is not one of the current main areas of growth in mobile e-commerce?

- A) sales of financial services
- B) retail sales at the top mobile companies
- C) sales of digital content
- D) sales of appsA

23) Which of the following is an example of a geosocial mobile service?

- A) Kickstarter. com
- B) Foursquare
- C) Shopkick
- D) FacebookB

24) How are the Internet and e-commerce causing severe disruption to the existing advertising business model?

- A) Ties between customer and businesses are being rethought.
- B) Technology players such as Yahoo! seek to dominate online advertising and expand into offline ad brokerage.
- C) New methods of advertising, such as blog advertising, are emerging.
- D) The market entry costs for online advertising services are extremely low.

B

25) The quality of ubiquity, as it relates to e-commerce, is illustrated by

- A) the same set of standards being used across the globe.
- B) the spread of plentiful, cheap information.
- C) the enabling of commerce worldwide.
- D) the availability of the Internet everywhere and anytime. D

26) Which of the following is not a recent development in e-commerce?

- A) Mobile e-commerce takes off.
- B) Social networking sites become a new platform for e-commerce.
- C) The music recording industry is disrupted as music creation and distribution become decentralized.
- D) Online entertainment business models surge. C

27) Which of the following is not one of the unique features of e-commerce technology?

- A) information density
- B) transparency
- C) richness
- D) social technologyB

28) Which feature of Internet technology has had the most effect in the Internet's rapid spread across the globe?

- A) ubiquity
- B) global reach
- C) universal standards
- D) social technologyC

29) The act of engaging consumers in a dialog that dynamically adjusts the experience to the individual describes which dimension of e-commerce technology?

- A) ubiquity
- B) personalization/customization
- C) richness
- D) interactivityD

30) The integration of video, audio, and text marketing messages into a single marketing message and consumer experience describes which dimension of e-commerce technology?

- A) ubiquity
- B) personalization/customization
- C) richness
- D) interactivityC

31) The lowered costs of information storage, processing, and communication, along with the improvement of data quality, has resulted in which unique quality of e-commerce?

- A) information density
- B) richness
- C) customization
- D) interactivityA

32) The effort required to locate a suitable product is called

- A) price discrimination.
- B) search costs.

C) menu costs.

D) shopping costs. B

33) Information density refers to the

A) richness—complexity and content—of a message.

B) total amount and quantity of information delivered to consumers by merchants.

C) total amount and quantity of information available to all market participants.

D) amount of information available to reduce price transparency. C

34) Selling the same goods to different targeted groups at different prices is called

A) cost customization.

B) cost optimization.

C) price gouging.

D) price discrimination. D

35) Information _____ exists when one party in a transaction has more information that is important for the transaction than the other party.

A) transparency

B) asymmetry

C) complexity

D) discriminationB

36) Varying a product's price according to the supply situation of the seller is called _____ pricing.

A) menu

B) flexible

C) dynamic

D) asymmetricC

37) Reducing the business process layers in a distribution channel is called

A) disintermediation.

B) BPR.

C) market segmentation.

D) network effects. A

38) Digital goods are goods that are

A) produced digitally.

B) sold over digital networks.

C) delivered digitally.

D) used with digital equipmentC

39) Compared to digital markets, traditional markets have

A) lower search costs.

B) stronger network effects.

C) higher delayed gratification effects.

D) higher transaction costs. D

40) Compared to traditional goods, digital goods have

A) greater pricing flexibility.

B) lower marketing costs.

C) higher production costs.

D) higher inventory costs. A

41) Compared to traditional markets, digital markets have

- A) lower distributed delivery costs.
- B) higher marginal costs per unit.
- C) equivalent copying costs.
- D) similar inventory costs. A

42) eBay is an example of

- A) C2C e-commerce.
- B) B2B e-commerce.
- C) B2C e-commerce.
- D) M-commerce. A

43) Selling products and services directly to individual consumers via the Internet best describes

- A) B2B e-commerce.
- B) C2C e-commerce.
- C) M-commerce.
- D) B2C e-commerce. D

44) Consumers selling goods and services electronically to other consumers best describes

- A) disintermediation.
- B) C2C e-commerce.
- C) M-commerce.
- D) B2C e-commerce. B

45) Which of the following businesses utilizes the content provider Internet business model?

- A) Amazon. com
- B) eBay. com
- C) CNN. com
- D) Motocross. comC

46) Which of the following Internet business models does Amazon. com use?

- A) content provider
- B) portal
- C) market creator
- D) e-tailerD

47) Transaction brokers

- A) generate revenue from advertising or from directing buyers to sellers.
- B) save users money and time by processing online sales transactions.
- C) provide a digital environment where buyers and sellers can establish prices for products.
- D) sell physical products directly to consumers or individual businesses. B

48) Market creators

- A) save users money and time by processing online sales transactions.
- B) provide a digital environment where buyers and sellers can establish prices for products.
- C) create revenue by providing digital content over the Web.
- D) sell physical products directly to consumers or individual businesses. B

49) Which of the following best describes why small world theory is important to e-commerce?

- A) The products bought online by one individual will influence purchases by

others.

B) The greater the number of people using your product, the more valuable it becomes.

C) You do not need to attract a large consumer base to become profitable.

D) Global products create a global community. A

50) Which of the following best illustrates the sales revenue model?

A) eBay receives a small fee from a seller if a seller is successful in selling an item.

B) Epinions receives a fee after steering a customer to a participating Web site where he or she makes a purchase.

C) Flickr provides basic services for free, but charges a premium for advanced services.

D) Apple accepts micropayments for single music track downloads. D

51) In which of the following revenue models does a Web site charge a fee for access to some or all of its offerings on a continual, regular basis?

A) subscription

B) free/freemium

C) transaction fee

D) salesA

52) Which of the following best illustrates the affiliate revenue model?

A) eBay receives a small fee from a seller if a seller is successful in selling an item.

B) Epinions receives a fee after steering a customer to a participating Web site where he or she makes a purchase.

C) Flickr provides basic services for free, but charges a premium for advanced services.

D) Apple accepts micropayments for single music track downloads. B

53) Which of the following best illustrates the transaction fee revenue model?

A) eBay receives a small fee from a seller if a seller is successful in selling an item.

B) Epinions receives a fee after steering a customer to a participating Web site where he or she makes a purchase.

C) Flickr provides basic services for free, but charges a premium for advanced services.

D) Apple accepts micropayments for single music track downloads. A

54) _____ describes the concept that a large group of people is better at making correct decisions than a single person.

A) The wisdom of crowds

B) Outsourcing

C) Crowdsourcing

D) Social graphingA

55) Netflix's public announcement of a reward for a technology solution to its movie recommendation system is an example of

A) prediction markets.

B) behavioral targeting.

C) long-tail marketing.

D) crowdsourcing. D

56) Exposing an individual to ads that are chosen and based on the recorded and analyzed online behavior of the individual is referred to as

- A) clickstream advertising.
- B) behavioral targeting.
- C) online profiling.
- D) long tail marketing. B

57) Which of the following was the leading online advertising format in 2012?

- A) display ads
- B) e-mail
- C) classifieds
- D) search engineD

58) Which of the following statements about B2B commerce is not true?

- A) Eighty percent of online B2B e-commerce is still based on EDI.
- B) B2B e-commerce represents approximately three-quarters of the overall B2B marketplace.
- C) B2B e-commerce only includes commercial transactions between firms.
- D) B2B e-commerce revenues in 2012 were over \$4 trillion. B

59) EDI is

- A) the use of Internet technologies for electronic data transactions.
- B) the exchange between two organizations of standard transactions through a network.
- C) electronic data invoicing.
- D) electronic delivery infrastructure. B

60) The process of sourcing goods and materials, negotiating with suppliers, paying for goods, and making delivery arrangements is called

- A) e-procurement.
- B) SCM.
- C) procurement.
- D) sourcing. C

61) An extranet that links a large firm to its suppliers and other key business partners is called a(n)

- A) e-hub.
- B) marketpace.
- C) exchange.
- D) private industrial networkD

62) E-hubs are more _____ than private industrial networks.

- A) transaction-oriented
- B) collaborative
- C) independent
- D) supply-chain orientedA

63) A mapping of a person's significant online, personal relationships is called a social

- A) Web.
- B) graph.
- C) community.
- D) map. B

64) A third-party Net marketplace that connects many buyers and suppliers for spot purchasing is called a(n)

- A) exchange.
- B) vertical market.
- C) private exchange.
- D) e-hub. A

65) Goods that are involved in the actual production process are referred to as

- A) raw materials.
- B) direct goods.
- C) purchasing goods.
- D) indirect goods. B

66) Which of the following statements about m-commerce is not true?

- A) In 2012, m-commerce represented less than 10 percent of all e-commerce.
- B) M-commerce is the fastest growing form of e-commerce.
- C) M-commerce annual revenues are approximately \$30 billion.
- D) In 2012, the top-grossing category of m-commerce was e-book sales. D

67) You are building an e-commerce Web site that will sell e-books and are looking for a hosted solution. Which of the following functionalities is least important for your business goals?

- A) site tracking system
- B) inventory management

C) digital catalog

D) customer database

68) You are planning the requirements for a site tracking and reporting system for your company Web site. Which of the following information requirements would not be essential for this function?

A) number of unique visitors

B) pages visited

C) products purchased

D) secure credit card clearing

69) Which of the following is the least costly way to build a Web site?

A) Outsource the Web site development to overseas vendors.

B) Use a hosted solution and pre-built templates.

C) Build your site yourself from scratch using existing software.

D) Use a site-building package.

70) You are advising an accounting firm that wants to establish its first Web site. Approximately how much of the Web site budget should you assign to purchasing software?

A) 10 percent

B) 25 percent

C) 50 percent

D) none, as no software will need to be purchased

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