

# BAM 570

## E-Commerce Management

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**Multiple Choice Questions** (Enter your answers on the enclosed answer sheet)

1. In which year can e-commerce be said to have begun?
  - a. 1983
  - b. 1985
  - c. 1995
  - d. 2001
  
2. Business-to-consumer (B2C) e-commerce in the United States \_\_\_\_\_.
  - a. is growing more slowly as it confronts its own fundamental limitations
  - b. has less revenue than C2C e-commerce
  - c. now constitutes over 40% of the overall U.S. retail market
  - d. has grown at double-digit rates between 2010 and 2014
  
3. Which of the following is a characteristic of e-commerce during the Invention period?
  - a. extensive government surveillance
  - b. mobile technology
  - c. disintermediation
  - d. earnings and profit emphasis
  
4. All of the following were visions of e-commerce expressed during the early years of e-commerce EXCEPT:
  - a. disintermediation
  - b. fast follower advantage
  - c. a nearly perfect information marketplace
  - d. friction-free commerce
  
5. Unfair competitive advantages occur when \_\_\_\_\_.
  - a. market middlemen are displaced
  - b. firms are able to gather monopoly profits
  - c. one competitor has an advantage others cannot purchase
  - d. information is equally distributed and transaction costs are low
  
6. Which of the following is a characteristic of the Reinvention phase of e-commerce?
  - a. rapid growth of search engine advertising
  - b. widespread adoption of broadband networks
  - c. expansion of e-commerce to include services as well as goods
  - d. massive proliferation of dot-com start-ups

7. Which of the following is not true regarding e-commerce today?
- a. consumers are less price-sensitive than expected
  - b. the market middlemen disappeared
  - c. there remains considerable persistent price dispersion
  - d. economists' visions of a friction-free market have not been realized
8. Retail chains account for around \_\_\_\_\_ % of online retail firm revenues.
- a. 15
  - b. 35
  - c. 75
  - d. 95
9. Which of the following is the top online retailer ranked by online sales?
- a. Apple
  - b. Staples
  - c. Walmart
  - d. Amazon
10. Which of the following is one of the three primary societal issues related to e-commerce?
- a. intellectual property
  - b. anonymity
  - c. liability
  - d. equity
11. An example of a company using the content provider model is \_\_\_\_\_.
- a. Dell
  - b. Priceline
  - c. eBay
  - d. Rhapsody
12. Which of the following is not an example of the bricks-and-clicks e-tailing business model?
- a. Walmart
  - b. Staples
  - c. Bluefly
  - d. Sears

13. All of the following may lead to a competitive advantage EXCEPT:
- a. fewer products
  - b. superior products
  - c. less expensive suppliers
  - d. better employees
14. What is the primary revenue model for an e-distributor?
- a. subscription
  - b. advertising
  - c. sales
  - d. transaction fee
15. SupplyOn is an example of a(n) \_\_\_\_\_.
- a. exchange
  - b. private industrial network
  - c. industry consortium
  - d. e-distributor
16. Which of the following is an unfair competitive advantage?
- a. superior technology
  - b. access to global markets
  - c. lower product prices
  - d. brand name
17. eBay uses all of the following business models EXCEPT:
- a. e-commerce infrastructure provider
  - b. content provider
  - c. B2C market creator
  - d. C2C market creator
18. Which of the following features of e-commerce technology changes industry structure by lowering barriers to entry but greatly expands the market at the same time?
- a. personalization
  - b. global reach
  - c. interactivity
  - d. richness

19. Which of the following is not a primary activity in a firm value chain?
- operations
  - outbound logistics
  - after-sales service
  - finance/accounting
20. A strategy designed to compete within a narrow market or product segment is called a \_\_\_\_\_ strategy.
- focus
  - cost
  - differentiation
  - scope
21. When talking about the physical elements of the Internet, the term redundancy refers to \_\_\_\_\_.
- delays in messages caused by the uneven flow of information through the network
  - multiple duplicate devices and paths in a network built so that data can be rerouted if a breakdown occurs
  - the use of tiered high-speed switching computers to connect the backbone to regional and local networks
  - transmitting multiple copies of a single packet to safeguard against data loss
22. What type of Internet access technology are Google and Facebook hoping to use to provide Internet access to remote parts of the world?
- Bluetooth
  - drones
  - DSL
  - WLANs
23. Which of the following technologies has enabled the Internet to grow exponentially to support millions of users, without overloading the network architecture?
- Wi-Fi
  - fiber optics
  - IPv6
  - client/server networking



24. The major technologies used with wireless local area networks are \_\_\_\_\_.
- WiMax and 3G
  - Wi-Fi and Bluetooth
  - Bluetooth and 3G
  - Wi-Fi and WiMax
25. The first Web browser to make it possible to view documents on the Web with colored background, images, and animations was \_\_\_\_\_.
- Mosaic
  - Mozilla
  - Internet Explorer
  - Netscape Navigator
26. You could expect to find all of the following services in a Web server software package EXCEPT:
- security services
  - an RSS aggregator
  - search engine
  - FTP
27. A(n) \_\_\_\_\_ is a Web application that allows users to easily add and edit content on a Web page.
- blog
  - wiki
  - podcast
  - RSS feed
28. All of the following are true about iPhone apps EXCEPT:
- Apple's goal of offering apps is to increase sales of iPhones, iPads, and iPods
  - over 75 billion have been downloaded
  - they are distributed through Apple's App Store
  - they are cross-platform, open-source applications
29. Which of the following cannot be used to retrieve objects from a database?
- HTML
  - CGI
  - ASP
  - JSP

30. Which of the following type of application server monitors and controls access to a main Web server and implements firewall protection?
- a. proxy server
  - b. groupware server
  - c. list server
  - d. mail server
31. All of the following are basic functionality provided by e-commerce merchant server software EXCEPT:
- a. a shopping cart
  - b. marketing software
  - c. credit card processing
  - d. a product catalog
32. All of the following are key design principles of responsive Web design EXCEPT:
- a. media queries
  - b. flexible images and media
  - c. flexible grid-based layouts
  - d. coding by convention
33. Which of the following types of sites typically needs a high percentage of secure pages?
- a. publishing/subscription
  - b. customer self-service
  - c. Web services
  - d. trading
34. Which of the following types of e-commerce presence is best suited for creating an ongoing conversation with one's customers?
- a. social media
  - b. offline media
  - c. Web site
  - d. e-mail

35. Which of the following statements about responsive Web design (RWD) is not true?
- RWD tools include HTML5 and CSS3.
  - RWD makes it possible to design a Web site that automatically adjusts its layout and display according to the screen resolution of the device on which it is being viewed.
  - RWD can be costly.
  - RWD works best for sites that have complex functionality.
36. \_\_\_\_\_ is a programming language invented by Netscape used to control the objects on an HTML page and handle interactions with the browser.
- ActiveX
  - JavaScript
  - ColdFusion
  - VBScript
37. All of the following statements about PKI are true EXCEPT:
- the acronym PKI stands for public key infrastructure
  - PKI is not effective against insiders who have a legitimate access to corporate systems including customer information
  - the term PKI refers to the certification authorities and digital certificate procedures that are accepted by all parties
  - PKI guarantees that the verifying computer of the merchant is secure
38. Proxy servers are also known as \_\_\_\_\_.
- firewalls
  - packet filters
  - application gateways
  - dual home systems
39. What is the first step in developing an e-commerce security plan?
- perform a risk assessment
  - create a security organization
  - develop a security policy
  - perform a security audit

40. An intrusion detection system can perform all of the following functions EXCEPT:
- checking network traffic to see if it matches certain patterns or preconfigured rules
  - examining network traffic
  - blocking suspicious activity
  - setting off an alarm when suspicious activity is detected
41. To allow lower-level employees access to the corporate network while preventing them from accessing private human resources documents, you would use \_\_\_\_\_.
- access controls
  - security tokens
  - an authorization management system
  - an authorization policy
42. All of the following statements about Apple Pay are true EXCEPT which of the following?
- Apple Pay can be used for mobile payments at the point of sale of a physical store
  - Apple Pay is based on Touch ID biometric fingerprint scanning
  - Apple Pay is available for both iPhone 5s and iPhone 6s
  - Apple Pay relies on the consumer having a credit card on file with Apple's iTunes
43. Which of the following is not a major trend in e-commerce payments in 2014-2015?
- PayPal remains the most popular alternative payment method
  - Apple introduces Apple Pay
  - mobile retail payment volume decreases
  - payment by credit and/or debit card remains the dominant form of online payment
44. Linden Dollars, created for use in Second Life, are an example of \_\_\_\_\_.
- digital cash
  - peer-to-peer payment systems
  - EBPP
  - virtual currency
45. Which of the following statements about the Internet's impact on marketing is not true?
- The Internet has broadened the scope of marketing communications.
  - The Internet has increased the richness of marketing communications.
  - The Internet has decreased the impact of brands.
  - The Internet has expanded the information intensity of the marketplace.

46. Which of the following features of e-commerce technology has reduced the cost of delivering marketing messages and receiving feedback from users?
- universal standards
  - interactivity
  - ubiquity
  - richness
47. The richness made possible by e-commerce technologies does which of the following?
- it allows video, audio, and text to be integrated into a single marketing message and consuming experience
  - it enables worldwide customer service and marketing communications
  - it allows consumers to become co-producers of the goods and services being sold
  - it reduces the cost of delivering marketing messages and receiving feedback from users
48. \_\_\_\_\_ is an industry-standard database query and manipulation language.
- PHP
  - JSP
  - DBMS
  - SQL
49. Which of the following measures the average length of stay at a Web site?
- loyalty
  - recency
  - retention rate
  - stickiness
50. Recency refers to the \_\_\_\_\_.
- percentage of customers who return to the site within a year to make additional purchases
  - percentage of existing customers who continue to buy on a regular basis
  - time elapsed since the last action taken by a customer
  - percentage of customers who do not return during the next year after an initial purchase

51. Conversion rate is a measure of the \_\_\_\_\_.
- percentage of shoppers who do not return within a year after their initial purchase
  - percentage of existing customers who continue to buy on a regular basis
  - percentage of visitors who become customers
  - percentage of visitors who indicate an interest in a site's products by registering or visiting a product's pages
52. The Nike iD program is an example of which of the following marketing techniques?
- transactive content
  - price discrimination
  - permission marketing
  - customer co-production
53. Which of the following statements is not true?
- Google is the leading display ad site on mobile devices.
  - Google charges more for desktop ads than it charges for mobile ads.
  - Mobile advertising is dominated by Google.
  - Google is the largest distributor of video ads on the mobile platform.
54. Which of the following categories do people most use their mobile devices for?
- shopping
  - entertainment
  - reading news and magazines
  - socializing
55. How many apps do users regularly use a month?
- 10
  - 25
  - 30
  - 50
56. Which of the following is currently a small part of the online marketing universe, but is expected to triple over the next 5 years?
- mobile marketing
  - social marketing on Facebook
  - location-based mobile marketing
  - local marketing

57. Which of the following earns the most location-based marketing revenue?
- Twitter
  - Google
  - Apple
  - Facebook
58. Google uses which of the following to build a global database of wireless access points and their geographic locations?
- iBeacons
  - Street View cars
  - BLE
  - E9-1-1
59. Which of the following is not true about Facebook News Feed Page Post Ads?
- they can be liked, shared, and commented on, just like any News Feed post
  - they have a tiny tag indicating that they are sponsored
  - they have social context
  - they cannot contain links
60. Companies are not permitted to collect personal information from children under the age of \_\_\_\_\_ without parental consent.
- 8
  - 10
  - 13
  - 16
61. "Do Not Track" falls under which of the following principles in the FTC's new privacy framework?
- Scope
  - Greater Transparency
  - Privacy by Design
  - Simplified Choice
62. Which of the following technologies allows you to send e-mail without a trace?
- public key encryption
  - anonymous surfing
  - anonymous remailers
  - P3P

63. How long does copyright protection extend for corporate-owned works?
- a. 25 years
  - b. 50 years
  - c. 75 years
  - d. 95 years
64. Downloading music tracks owned by record companies without paying for them is an example of a violation of \_\_\_\_\_.
- a. patent law
  - b. copyright law
  - c. privacy law
  - d. trademark law
65. Which of the following allows someone to obtain an exclusive monopoly on the ideas behind an invention for 20 years?
- a. trade secret law
  - b. trademark law
  - c. copyright law
  - d. patent law
66. All of the following statements about patents are true EXCEPT:
- a. The four types of inventions protected by patent law are machines, manmade products, compositions of matter, and processing methods.
  - b. Computer programs can be patented.
  - c. It is more difficult to obtain a copyright than it is to obtain a patent.
  - d. In order to be patented, an invention must be nonobvious.
67. Disputes over federal trademarks involve establishing \_\_\_\_\_.
- a. intent
  - b. underlying ideas
  - c. piracy
  - d. infringement



68. Comcast's proposed merger with which of the following would make it the high-speed Internet provider for close to 40% of American homes?
- AT&T
  - Cablevision
  - Verizon
  - Time Warner Cable
69. For a quick check of a firm's short-term financial health, examine its \_\_\_\_\_.
- cost of sales
  - gross margin
  - working capital
  - long-term debt
70. Virtual merchants face potentially large costs for all of the following EXCEPT:
- building and maintaining a Web site
  - developing a brand name
  - building and maintaining physical stores
  - building an order fulfillment infrastructure
71. All of the following are challenges for catalog merchants EXCEPT:
- building a credible Web site
  - high costs of printing and mailing
  - building sophisticated order entry and fulfillment systems
  - the need to bring staff in or manage new technology
72. Approximately \_\_\_\_\_ % of the United States labor force is involved in providing services.
- 50
  - 60
  - 70
  - 80
73. Which of the following is not an example of a transaction broker?
- an employment agency
  - a stockbroker
  - a real estate agent
  - an accountant

74. Which of the following statements about online banking is not true?
- Top mobile banking activities include checking balances and transferring money from one account to another.
  - Over 50% of the adult U.S. population used online banking in 2014.
  - Online and mobile banking transactions provide significant costs savings for banks.
  - All of the purely online banks (those that operate without a network of branches) have gone out of business.
75. All of the following statements about the online insurance industry are true EXCEPT:
- Internet usage has led to a decline in term life insurance prices industry-wide.
  - The industry has been very successful in attracting visitors searching for information.
  - The Internet has dramatically changed the insurance industry's value chain.
  - Web sites of almost all the major firms provide the ability to obtain an online quote.
76. Which of the following best explains why the service sector is a natural avenue for e-commerce?
- It is not; services are difficult to translate to e-commerce because they rely on face-to-face communication and barter.
  - The service sector has historically been more technology-reliant.
  - The service sector is less geographically reliant and more globally oriented.
  - Much of the value in services is based on the collection, storage, and exchange of information.
77. A metered subscription model is most similar to which of the following revenue models?
- freemium
  - transaction fee
  - affiliate
  - advertising
78. Who was the first major fiction writer to create an e-book-only volume of a new work?
- Amanda Hocking
  - Dan Brown
  - Hugh Howey
  - Stephen King

79. Which of the following was sued by the Justice Department for violating antitrust laws in connection with e-books?
- Apple
  - Barnes & Noble
  - Google
  - Amazon
80. Which of the following statements about the wholesale and agency models for selling books is not true?
- Amazon supports the agency model.
  - Amazon surprised traditional publishers by selling e-books for below their wholesale cost.
  - In the wholesale model, the retailer decides at what price to sell a book to the consumer.
  - A result of the agency model was that Amazon's prices on e-books rose.
81. Which of the following statements about the movie industry is not true?
- Internet and online distribution now make up the largest share of movie revenues.
  - Online movie distribution is not dominated by a single distributor.
  - Sales of digital movies that can be downloaded increased by almost 50% in 2013.
  - Over 100 million Americans were expected to watch movies online in 2014.
82. Which of the following statements about the television and premium video industry is not true?
- Apple's iTunes store is the leading distributor of streaming video.
  - Americans spend more time watching television on a computer or mobile device than they do on a traditional television set.
  - The television industry is the major source of premium video on the Internet.
  - Over-the-top entertainment services are a threat to cable television distributors.
83. In 2014, which of the following forms of entertainment produced the least amount of revenue?
- video games
  - recorded music
  - radio
  - motion pictures

84. Which of the following is not a source of illegal file-sharing?
- a. UltraViolet
  - b. MovieWatch
  - c. Movie2K
  - d. Megaupload
85. When sellers agree informally or formally to set floor prices below which they will not sell on auction items, this is known as \_\_\_\_\_.
- a. discriminatory pricing
  - b. the uniform pricing rule
  - c. price matching
  - d. bid rigging
86. Which of the following types of auctions is perfect for sellers that have many identical items to sell?
- a. Name Your Own Price auctions
  - b. Dutch Internet auctions
  - c. group buying auctions
  - d. English auctions
87. Which of the following companies was an early investor in Facebook?
- a. LinkedIn
  - b. Google
  - c. Apple
  - d. Microsoft
88. Which of the following is not one of the top factors a business should consider when planning an Internet auction?
- a. location of auction
  - b. type of auction
  - c. bid increments
  - d. type of product
89. Which of the following involves a concern that one will never know how much the ultimate winner might have paid, or the true value to the final winner?
- a. winner's regret
  - b. herd behavior
  - c. seller's lament
  - d. loser's lament

90. Which of the following involves e-mailing another seller's bidders and offering the same product for less?
- persistent bidding
  - shill bidding
  - transaction interception
  - bid siphoning
91. Which of the following statements illustrates the network effects that portals are subject to?
- The greater number of portals available, the greater the potential audience for each.
  - The value of the portal to advertisers and consumers increases geometrically as reach increases.
  - The greater the amount of content provided by a portal, the greater its value to the community.
  - Specialized vertical market portals attract only 2-10% of the audience, while a few large megaportals garner most of the market.
92. MSN is an example of a \_\_\_\_\_.
- focused content search engine
  - vertical market portal based on affinity group
  - general purpose portal
  - vertical market portal based on focused content
93. Which of the following is not a characteristic of the use of social networks in B2B e-commerce?
- they are always private
  - it is typically unstructured
  - it helps develop a more personal relationship between participants in the supply chain
  - it enables participants to make decisions based on current conditions
94. All of the following have led to the development of outsourcing of manufacturing around the world except \_\_\_\_\_.
- technology
  - globalization of trade
  - high levels of wage disparity between the developed and undeveloped worlds
  - environmental concerns
95. Which of the following primarily involve long-term sourcing?
- e-distributors and exchanges
  - e-distributors and industry consortia
  - e-procurement Net marketplaces and industry consortia
  - e-procurement Net marketplaces and exchanges

96. All of the following are examples of direct goods in the auto industry EXCEPT:
- sheet steel
  - desktop computers
  - rubber molding
  - shatter-resistant glass
97. An \_\_\_\_\_ primarily serves businesses that primarily buy direct goods on a spot purchasing basis.
- industry consortium
  - exchange
  - e-procurement company
  - e-distributor
98. Which of the following is not an important trend in B2B e-commerce in 2014-2015?
- concern about supply chain sustainability
  - concern about the accountability of supply chains
  - concern about increasing use of the mobile platform
  - concern about supply chain risk
99. Which of the following statements is not true?
- VWGroupSupply.com is an industry consortium.
  - VWGroupSupply can be accessed by suppliers via standard Web browser software.
  - The Volkswagen Group developed VWGroupSupply using technology from a number of vendors.
  - The Volkswagen Group manages almost all of its procurement needs via the Internet.
100. All of the following are forms of collaboration among businesses EXCEPT:
- marketing coordination and product design
  - RFQs
  - CPFR
  - demand chain visibility

