



CHAPTER 05 – EMERGING MODES OF BUSINESS

MULTIPLE CHOICE QUESTIONS

- Which payment method is not suitable in e-business?
a. Cash on delivery b. **E-cash** c. Cheques d. Credit or Debit card
- Intra B commerce includes
a. **Interaction between the different departments within the organization.**
b. Interaction between two business firms.
c. Interaction between two customers
d. Interaction between business and customers
- Outsourcing does not include
a. Assigning task to the outside agency.
b. Processing work to third party.
c. Assigning non-core activities to third party.
d. **Getting things done from the existing employees.**
- Various departments of the organization like production, purchase, marketing etc. can interact with each other by using
a. B2B commerce b. B2C commerce c. C2C commerce d. **Intra B commerce**
- Job work is an example of:
a. B2B commerce b. E- business c. **Outsourcing** d. C2C commerce
- The term outsourcing has more popularly come to be associated with
a. Job- work b. Knowledge process outsourcing c. **Business process outsourcing**
d. Legal process outsourcing
- Call centres working for various tele com. Companies are an example of
a. **Business process outsourcing** b. Knowledge process outsourcing c. Legal process outsourcing d. Industrial process outsourcing
- Which one of the four is not a key segment of outsourcing?
a. Contract manufacturing b. Contract informatics c. Contract research d. **Contract registration.**
- Arun a bank manager in SBI bought Samsung galaxy M 31 mobile phone from Flipkart in big Billion-day sale. It is an example of
a. B2G b. C2C c. B2B d. **B2C**
- Conduct of industry, trade and commerce using the computer networks is known as
a. Traditional business b. **E-Business** c. E-Commerce d. None of these

SHORT ANSWER QUESTIONS

- Krishnan is running a cardamom shop in Munnar during the past 30 years. His grandson explained him about the benefits of E business. Can you narrate his points?

ANSWER

Benefits of e-Business:

- Easy of formation and lower investment requirements: It is relatively easy to start due to less legal procedure. Even if you do not have much of the investment, you can do the business through network.
- Convenience: Internet offers the convenience of 24 hours business.
- Speed: Internet allows faster services.
- Global reach: It provides a boundary less market.

- Movement towards a paperless society: Use of internet has considerably reduced dependence on paperwork **Any two points with brief explanation**

12. Discuss any 2 stages (phases) required in online transactions?

ANSWER

Stages of online transactions

- Registration: Before online shopping, one has to register with the online vendor by fulfilling-up a registration form.
- Placing an order: You can pick and drop the items in the shopping cart. Shopping cart is an online record of what you have picked up while browsing the online store.
- Payment mechanism: Payment for the purchases through online shopping may be done in a number of ways such as-Cash on Delivery (CoD), cheque, net banking, credit/debit card, digital cash (this is a form of electronic currency that exists only in cyberspace. This type of currency has no real physical properties, but offers the ability to use real currency in an electronic format. **(Any two points with brief explanation)**)

13. Mention any three commonly outsourced business services

ANSWER

The services which are commonly outsourced are financial services (it includes preparation of financial plans, issue of shares/debentures, raising funds), advertisement services (include designing messages, selecting models, media....), courier services (include mailing letters and parcels....), transportation (providing various transportation facilities), warehousing, after sales services etc

14. Describe the resources required for successful E commerce implementation?

ANSWER

Resources required for successful e-business implementation:

- Adequate computer with telecom network.
- Technically qualified and trained work force.
- Well-developed websites.
- Well-developed telecommunication facilities.
- A good system of making payments using credit instruments

15. Discuss about 3 payment mechanisms used in E-business?

ANSWER

Payment mechanism: Payment for the purchases through online shopping may be done in a number of ways such as Cash on Delivery (CoD), cheque, net banking, credit/debit card, digital cash (this is a form of electronic currency that exists only in cyberspace. This type of currency has no real physical properties, but offers the ability to use real currency in an electronic format.) ...

LONG ANSWER QUESTIONS

16. Point out any five differences between traditional business and E-business?

ANSWER

Basis	Traditional Business	e-Business
Formation	Difficult	Easy
Location	Important	Not important
Cost of setting up	High	Low

Personal touch	More	Less
Employees	Semi-skilled/unskilled	Technically/Professionally skilled
Transaction Risk	Less	High
Operating cost	High	Low
Opportunity for physical pre-sampling of the products	More	Less
Ease of going global	Less	Much
Response time for meeting customers'/internal requirements	Long	Instant

17. In order to concentrate in the production activities Magnum Mars Ltd., decided to entrust their marketing activities to outside suppliers. Identify the concept and explain its advantages.

ANSWER

Outsourcing: It refers to business organizations concentrate of their core activities and outsource other services to specialized agencies. The services which are commonly outsourced are financial services (it includes preparation of financial plans, issue of shares/debentures, raising funds), advertisement services (include designing messages, selecting models, media...), courier services (include mailing letters and parcels...), transportation (providing various transportation facilities), warehousing, after sales services etc

Need/ Benefits/ Objectives of Outsourcing:

1. Focusing attention: Outsourcing helps the business to focus on its core activities and contracting out the rest.
2. Provide better service: It helps to provide better services to customers through specialization.
3. Cost reduction: Through division of labour and specialization, it helps to reduce the cost too. This happens due to the outsourcing partners as they deliver the same service to a number of organizations.
4. Growth through alliance: Through outsourcing firms investment requirements are reduced therefore they can expand rapidly.
5. Enhance economic development: Outsource stimulates entrepreneurship, employment and exports