MULTIPLE CHOICE. Choose the one alternative that best completes the statement or answers the question.
1) The biggest change in manufacturing resulting from a shift to e-commerce will be: 1) _______
   A) a shift to build-to-order systems.  
   B) lower prices for raw materials.  
   C) longer and more complex supply chains.  
   D) fewer but much larger orders.

TRUE/FALSE. Write 'T' if the statement is true and 'F' if the statement is false.
2) Many experts expect pure-play e-tailers to eventually dominate all retail market segments. 2) _______

   3) From a communications perspective, transactions may only be classified as EC if computer networks are used in processing payments and information. 3) _______

MULTIPLE CHOICE. Choose the one alternative that best completes the statement or answers the question.
4) Large organizational customers often make their purchases through a tendering system also known as: 4) _______
   A) viral marketing.  
   B) direct marketing.  
   C) a reverse auction.  
   D) affiliate marketing.

TRUE/FALSE. Write 'T' if the statement is true and 'F' if the statement is false.
5) In pure EC, the product, the process, and the delivery agent must be digital. 5) _______

6) A new brand name product usually produces higher sales online than a well-known brand of the same product. 6) _______

7) The only source of revenue for online travel and tourism sites is direct revenues from commissions. 7) _______

MULTIPLE CHOICE. Choose the one alternative that best completes the statement or answers the question.
8) Ford, General Motors, and other firms in the automotive industry have jointly created an e-marketplace. This is an example of: 8) _______
   A) a business alliance.  
   B) continuous improvement efforts.  
   C) business process reengineering.  
   D) a strategic system.
9) In a forward auction, 9) ______
A) prices are set by negotiations between a single buyer and a single seller.
B) there are many buyers and many sellers. Buyers and the quantities they seek are matched with sellers and the quantities they are offering for sale.
C) a seller entertains bids from many potential buyers.
D) one buyer accepts bids from many potential sellers.

TRUE/FALSE. Write 'T' if the statement is true and 'F' if the statement is false.
10) The value proposition includes both the tangible and intangible benefits a company can derive from using its business model. 10) ______

MULTIPLE CHOICE. Choose the one alternative that best completes the statement or answers the question.
11) All of the following product characteristics are expected to facilitate greater online sales EXCEPT: 11) ______
A) a digitized product format.
B) standard product specifications.
C) frequently purchased items.
D) high price.

TRUE/FALSE. Write 'T' if the statement is true and 'F' if the statement is false.
12) A search engine should include order processing technology which allows customers to accumulate items they wish to buy while they continue shopping. 12) ______

MULTIPLE CHOICE. Choose the one alternative that best completes the statement or answers the question.
13) An office supply broker combines orders from fifteen small offices into a single paper order, which results in a much lower price for each of the small offices due to volume discounts. This is an example of the ________ EC model. 13) ______
A) customization and personalization
B) dynamic brokering
C) electronic tendering
D) group purchasing

TRUE/FALSE. Write 'T' if the statement is true and 'F' if the statement is false.
14) A regional electronic store primarily serves customers who live nearby. 14) ______

MULTIPLE CHOICE. Choose the one alternative that best completes the statement or answers the question.
15) The revenue model in which a company receives commission for referring customers to other Web sites is called the ________ model. 15) ______
A) affiliate fee  B) subscription fee
C) transaction fee  D) sales

16) The process of offering specialized services in small segments in order to improve speed and efficiency is called: 16) ______
A) channel conflict.
B) unbundling.
C) hypermediation.
D) cybermediation.
TRUE/FALSE. Write 'T' if the statement is true and 'F' if the statement is false.
17) In virtual manufacturing, a company runs multiple, dispersed, manufacturing plants as though they were all at the same location.  17) ______

18) Investors in e-tailers which report small losses on each unit sold shouldn't be concerned because the huge volume of business available online should more than offset these small marginal losses.  18) ______

MULTIPLE CHOICE. Choose the one alternative that best completes the statement or answers the question.
19) The primary function of e-distributors is to:  19) ______
A) distribute information for a particular supplier.
B) provide product comparisons across many different suppliers.
C) conduct online reverse auctions.
D) aggregate the catalogs of many suppliers.

20) An employee in the Travel Department at a large corporation makes an online reservation for her president's upcoming business trip through the Web site of a major airline. This is an example of:  20) ______

21) Extremely busy customers willing to shop online in order to free up time are called:  21) ______
A) time-starved customers.  B) new technologists.
C) leading edgers.  D) shopping avoiders.

22) An individual using the Internet instead of the mail to file federal income taxes is an example of the framework called:  22) ______
C) P2P.  D) C2B.

23) In human resources, all of the following are impacted by e-markets EXCEPT:  23) ______
A) evaluation.  B) training.
C) pay levels.  D) recruiting.

TRUE/FALSE. Write 'T' if the statement is true and 'F' if the statement is false.
24) Priceline.com is an example of the C2B model.  24) ______

25) In bartering, goods and/or services exchange hands with no exchange of money.  25) ______

MULTIPLE CHOICE. Choose the one alternative that best completes the statement or answers the question.
26) Sears marketing strategy would best be described as:  26) ______
A) a click-and-mortar strategy.
B) a shared service mall strategy.
C) a brick-and-mortar strategy.
D) direct sales by a manufacturer.
27) Commercial portals:   27) ______
A) offer content for diverse communities and are the most popular portals on the Internet.
B) coordinate rich content within the relatively narrow corporate and partners' communities.
C) must be accessible by mobile devices.
D) always include audio interfaces.

TRUE/FALSE. Write 'T' if the statement is true and 'F' if the statement is false.
28) The use of the Internet in providing training courses to employees is an example of a B2E e-commerce.  28) ______

MULTIPLE CHOICE. Choose the one alternative that best completes the statement or answers the question.
29) An e-tailer uses cookies to identify returning customers and to provide suggested products for purchase based on prior shopping behavior. This is an example of:  29) ______
A) channel cooperation.
B) on-demand delivery.
C) personalization.
D) advertising supported model.

30) A comprehensive business model should include all of the following except:  30) ______
A) a description of all the products and services the company will offer.
B) a revenue model.
C) a listing of all suppliers and other business partners.
D) a listing of all data needed to manage all business processes.

TRUE/FALSE. Write 'T' if the statement is true and 'F' if the statement is false.
31) B2C occurs when Dell (the customer) buys flat panel monitors from a supplier in Hong Kong (the business).  31) ______

MULTIPLE CHOICE. Choose the one alternative that best completes the statement or answers the question.
32) Priceline.com is an example of which EC business model?  32) ______
A) Group purchasing  B) Electronic tendering
C) Name your own price  D) Dynamic brokering

TRUE/FALSE. Write 'T' if the statement is true and 'F' if the statement is false.
33) The development of new protocols was a driving force in the expansion of the Internet in the 1990s.  33) ______

MULTIPLE CHOICE. Choose the one alternative that best completes the statement or answers the question.
34) All of the following are potential limitations of e-auctions EXCEPT:  34) ______
A) bidders have very little time to make bids.
B) limited bidding participation.
C) perceived lack of security.
D) a possibility of fraud.
35) A company that creates and manages many-to-many markets is called a:

A) viral marketer.  B) transaction broker.
C) content disseminator.  D) market maker.

TRUE/FALSE. Write 'T' if the statement is true and 'F' if the statement is false.
36) The lack of universal standards for quality, security, and reliability is a major technological limitation of EC.  36) ______

MULTIPLE CHOICE. Choose the one alternative that best completes the statement or answers the question.
37) In e-tailing, the customer  37) ______
A) is always a consumer.
B) is a wholesaler.
C) is always another business.
D) may be a consumer or a business.

38) Increased consumer power is an example of a business pressure from the  38) ______
A) market  B) technology
C) society  D) IT and Electronic Commerce

TRUE/FALSE. Write 'T' if the statement is true and 'F' if the statement is false.
39) In general, online real estate is replacing existing real estate agents in most markets.  39) ______

40) Studies have shown that online grocery customers are most often repeat customers who use the online services only on rare occasions when traditional grocery shopping is inconvenient.  40) ______

MULTIPLE CHOICE. Choose the one alternative that best completes the statement or answers the question.
41) Dell Computers allows its customers to design computers which meet specific needs. This is an example of the  41) ______
A) affiliate marketing  B) product and service customization
C) find the best price  D) group purchasing

TRUE/FALSE. Write 'T' if the statement is true and 'F' if the statement is false.
42) B2C e-commerce occurs every time Amazon.com sells a best seller to a reader.  42) ______

MULTIPLE CHOICE. Choose the one alternative that best completes the statement or answers the question.
43) The ability to run multiple manufacturing plants as though they were at one location is known as:  43) ______
A) a pull system.
B) green manufacturing.
C) demand-driven manufacturing.
D) virtual manufacturing.
TRUE/FALSE. Write 'T' if the statement is true and 'F' if the statement is false.
44) A business model explains how a company will generate the revenue needed to sustain itself. 44) ______

MULTIPLE CHOICE. Choose the one alternative that best completes the statement or answers the question.
45) Juanita uses her cell phone to contact the Web site of an online grocer. She orders the ingredients she needs for dinner that night, and she finds everything waiting for her when she arrives home. This is an example of: 45) ______
A) c-commerce.
B) an intrabusiness transaction.
C) m-commerce.
D) a Peer-to-Peer application.

46) All of the following are benefits to society from EC except: 46) ______
A) individual privacy is protected with EC.
B) through EC, people in rural areas gain access to products which have not historically been available to them.
C) since EC drives down costs, prices tend to be lower which allows less affluent people to buy products.
D) since more individuals work at home, there is less traveling and so less energy consumed.

TRUE/FALSE. Write 'T' if the statement is true and 'F' if the statement is false.
47) The terms business plan, business model, and business case have the same meaning and can be used interchangeably. 47) ______

MULTIPLE CHOICE. Choose the one alternative that best completes the statement or answers the question.
48) Which of the following cases represents pure e-commerce? 48) ______
A) A song is selected from an online playlist, purchased online by credit card, and downloaded to a personal computer where it is copied onto a CD-R.
B) A toy is bought by clicking on a special offer banner ad, credit information is given electronically, and the toy is delivered the following morning by Fed Ex.
C) A book is chosen from an online catalog, ordered online, and delivered by mail.
D) Software is downloaded onto a personal computer, after the buyer calls in to a toll-free number with his/her credit card information.

TRUE/FALSE. Write 'T' if the statement is true and 'F' if the statement is false.
49) A central role of markets in an economy is to facilitate the exchange of information, goods, services, and payments. 49) ______

MULTIPLE CHOICE. Choose the one alternative that best completes the statement or answers the question.
50) Customers who achieve a sense of self-worth by shopping online are called: 50) ______
A) shopping avoiders. B) time-starved customers.
C) leading edgers. D) technologists.
TRUE/FALSE. Write 'T' if the statement is true and 'F' if the statement is false.
51) In virtual organizations, at least 75% of all transactions must be conducted via the Internet. 51) ______

MULTIPLE CHOICE. Choose the one alternative that best completes the statement or answers the question.
52) All of the following are characteristics of perfect competition EXCEPT:
52) ______
A) buyers and sellers must have comprehensive information about the products offered.
B) buyers and sellers must be able to enter the market at little or no entry cost.
C) large buyers or sellers are not able to individually influence the market.
D) product quality must be very high.

TRUE/FALSE. Write 'T' if the statement is true and 'F' if the statement is false.
53) Unlike the traditional value chain, the Internet ecosystem is inclusive and has relatively low barriers to entry. 53) ______

54) While shopping in a mall with shared services, a customer finds, orders, pays for, and arranges for product delivery through the hosting mall, but each store executes these services separately. 54) ______

55) Ubiquity is an EC benefit to consumers. 55) ______

56) With publishing portals, there is relatively little content customization, but there is extensive search and interactive capabilities. 56) ______

57) Dell's strategy is best classified as direct marketing from a manufacturer. 57) ______

MULTIPLE CHOICE. Choose the one alternative that best completes the statement or answers the question.
58) Audible provides an online catalog from which customers select e-books for direct download. This is an example of the EC business model called:
58) ______
A) find the best price.  B) online direct marketing.
C) affiliate marketing.  D) electronic tendering.

TRUE/FALSE. Write 'T' if the statement is true and 'F' if the statement is false.
59) A manufacturer finds that it must install a new Internet order processing system like the one recently installed by its major competitor if it is to remain competitive. This order processing system is an example of a strategic system. 59) ______
MULTIPLE CHOICE. Choose the one alternative that best completes the statement or answers the question.

60) Which of the following situations would be defined as pure EC?

A) A fiction fan shops extensively on Amazon.com and selects a traditional novel, pays for the book by providing a credit card to the Amazon site, and selects next day delivery via UPS.
B) A fiction fan selects an e-book from Amazon.com, downloads the book to his computer, and calls Amazon to provide his credit card information.
C) A fiction fan purchases an e-book from Amazon.com, downloads it to her computer, and pays by providing a credit card to the Amazon site.
D) Both A and C are examples of pure EC because the product supplied is digital.

61) The primary impact of lower search costs in e-markets is:

A) higher prices because customers will not value search engines and so will quit using them.
B) search engine sites have no chance of survival.
C) quality will fall as companies seek to reduce prices.
D) lower prices because shoppers can compare prices from many different sources before choosing where to buy.

62) Electronic commerce is the process of:

A) sales force automation.
B) buying, selling, or exchanging products and services via computer networks including the Internet.
C) using electronic devices.
D) organizing a market for electronic devices to enhance marketing.

63) While Wal-Mart has a Web site from which it sells its products, the majority of the company's business is conducted in its retail stores. This is an example of:

A) a value added network.
B) a click-and-mortar operation.
C) pure e-commerce.
D) a brick-and-mortar operation.

TRUE/FALSE. Write 'T' if the statement is true and 'F' if the statement is false.

64) Intermediaries are typically third parties that operate between buyers and sellers.

65) Information overload is an example of a business pressure from the ______ category.

A) technology  B) market
C) society  D) IT and Electronic Commerce

TRUE/FALSE. Write 'T' if the statement is true and 'F' if the statement is false.

66) In mass customization, companies add enough production capacity to allow it to await customer orders, then build individual products to the specifications of each customer.
MULTIPLE CHOICE. Choose the one alternative that best completes the statement or answers the question.
67) In the Internet ecosystem, ______
A) larger companies tend to dominate due to cost advantages attributable to size.
B) market intermediaries tend to dominate through the exercise of marketspace control.
C) size is no longer a significant competitive advantage.
D) the government dominates through excessive regulation.

68) A sugar refinery in Puerto Rico answers an automatic invitation from a supermarket to tender with the lowest bid within the tender specifications, and is awarded the contract. This is an example of: ______
A) a name your own price model.
B) an information broker.
C) a value chain integrator.
D) a reverse auction.

TRUE/FALSE. Write 'T' if the statement is true and 'F' if the statement is false.
69) Due to the high cost of technology, barriers to entry are higher for online businesses than for traditional brick and mortar operations. ______

70) By the late 1990s, the emphasis in e-commerce had shifted from B2C to B2B. ______

MULTIPLE CHOICE. Choose the one alternative that best completes the statement or answers the question.
71) In the name-your-own-price model, ______
A) sellers offer a standard product and buyers tell how much they are willing to pay.
B) potential buyers tell sellers the product attributes they are seeking and how much they are willing to pay for the desired set of product characteristics.
C) there is one seller and many potential buyers.
D) sellers specify the price and buyers make a buy/no-buy

TRUE/FALSE. Write 'T' if the statement is true and 'F' if the statement is false.
72) The process of doing business in the virtual world focuses on processing raw materials and distributing products rather than gathering, selecting, synthesizing, and distributing information in the real world. ______

MULTIPLE CHOICE. Choose the one alternative that best completes the statement or answers the question.
73) FedEx's tracking system is an example of: ______
A) a strategic system.
B) business process reengineering.
C) a business alliance.
D) continuous improvement efforts.
74) Rather than selling through computer and office supply stores, Dell decided to sell directly to its customers. The elimination of these traditional retailers is called: 74) ______
A) disintermediation.  B) cybermediation.  
C) channel conflict.  D) reintermediation.

TRUE/FALSE. Write 'T' if the statement is true and 'F' if the statement is false.
75) Differentiation refers to the ability of an e-company to customize products and services to the exact specifications of customers. 75) ______

MULTIPLE CHOICE. Choose the one alternative that best completes the statement or answers the question.
76) All of the following are nontechnological limitations to EC except: 76) ______
A) customers do not trust "faceless" transactions.  
B) bandwidth is insufficient in many areas.  
C) privacy concerns deter customers from buying.  
D) security concerns deter customers from buying.

TRUE/FALSE. Write 'T' if the statement is true and 'F' if the statement is false.
77) A company uses its intranet to announce its merger with a competitor. This is an example of a special kind of organizational EC called a B2E transaction. 77) ______

MULTIPLE CHOICE. Choose the one alternative that best completes the statement or answers the question.
78) All of the following are benefits to consumers from EC except: 78) ______
A) EC reduces face-to-face social interactions.  
B) EC allows customers to shop year round.  
C) EC allows for quick delivery, especially with digitized products.  
D) EC facilitates competition, which results in lower prices.

TRUE/FALSE. Write 'T' if the statement is true and 'F' if the statement is false.
79) In developing a sales forecast for next year, the Market Research Department asks each sales region to project local sales based on current trends in their market. These projections are consolidated into a company-wide forecast. This is an example of c-commerce. 79) ______

80) According to current estimates, total online shopping in the United States will total $3 to $7 billion in 2004. 80) ______

MULTIPLE CHOICE. Choose the one alternative that best completes the statement or answers the question.
81) A program that can access a database of Internet resources, search for specific information, and report the results is called a(n): 81) ______
A) e-catalog.  B) intelligent agent.  
C) shopping cart.  D) search engine.
82) A new Internet retailer sells only dog toys. This is an example of:  
A) vendor specialization.  
B) supply chain improvements.  
C) improved customer relations.  
D) efficient procurement.

TRUE/FALSE. Write 'T' if the statement is true and 'F' if the statement is false.  
83) In implementing a successful click-and-mortar strategy, a company must make sure that whether a customer establishes contact through face-to-face encounters with store personnel or through the Web page, the information and service received is consistent.  
84) The time it takes in transforming an idea into a viable product for sale in the market is called cycle time.

MULTIPLE CHOICE. Choose the one alternative that best completes the statement or answers the question.  
85) Amazon.com utilizes a wide variety of new types of intermediaries in serving its customers. This is an example of:  
A) cybermediation.  
B) disintermediation.  
C) unbundling.  
D) hypermediation.

86) Telecom Trends International estimates the number of mobile devices will approach __________ by 2008.  
A) one trillion  
B) 167 billion  
C) 1.67 billion  
D) 167 million

TRUE/FALSE. Write 'T' if the statement is true and 'F' if the statement is false.  
87) When Omar uses his cell phone to place a stock order with his broker, he is participating in m-commerce.  
88) E-distributors aggregate the catalogs of many suppliers in one location.

MULTIPLE CHOICE. Choose the one alternative that best completes the statement or answers the question.  
89) All of the following are limitations of traditional off-line auctions EXCEPT:  
A) they last only a few minutes for each item sold.  
B) sellers are guaranteed the highest possible price for their products.  
C) sellers may have trouble getting their products to the auction site.  
D) buyers sometimes decide not to bid because the pace is too fast for careful analysis.

90) Auction prices are considered to be dynamic because:  
A) the bargaining power of the seller results in a solid price that will not change even with negotiations.  
B) they are typically higher than prices in traditional marketspaces.  
C) they change quickly based on supply and demand.  
D) they are typically lower than prices in traditional marketspaces.
TRUE/FALSE. Write 'T' if the statement is true and 'F' if the statement is false.
91) The seller's portal is the most important component of a marketspace infrastructure. 91) ______

MULTIPLE CHOICE. Choose the one alternative that best completes the statement or answers the question.
92) An opera fan purchases her favorite aria by downloading it from an online music retailer. This is an example of: 92) ______

TRUE/FALSE. Write 'T' if the statement is true and 'F' if the statement is false.
93) One of the primary advantages of online auctions is the very low possibility of fraud among buyers and sellers. 93) ______
94) Differentiation increases the substitutability between competing products. 94) ______

95) Carol lists the quilt she inherited from her grandmother on eBay. Jennifer buys it as a wedding gift for her sister. This is an example of a B2C transaction. 95) ______

MULTIPLE CHOICE. Choose the one alternative that best completes the statement or answers the question.
96) Reverse auctions are effective when: 96) ______
A) there is one buyer and one seller.
B) there is a single seller and many buyers.
C) the buyer and seller are from different industries.
D) there is a single buyer and many potential sellers.

TRUE/FALSE. Write 'T' if the statement is true and 'F' if the statement is false.
97) The Internet ecosystem follows the hierarchical, command-and-control business model of the industrial economy. 97) ______
98) A click-and-mortar organization conducts some of its business online, yet continues to conduct the majority of its business in the physical world. 98) ______
99) Shopping avoiders use online grocers because they are physically limited in their ability to shop in traditional grocery stores. 99) ______
100) The digital revolution is the primary driver of electronic commerce. 100) ______