

**SOUTH EASTERN UNIVERSITY OF SRI LANKA****THIRD EXAMINATION IN BACHELOR OF SCIENCE IN INFORMATION TECHNOLOGY  
FOR MANAGEMENT STUDIES – 2009 / 2010****SEMESTER – II, FEBRUARY - 2012****ITMS-3233 · E - COMMERCE PRINCIPLES AND APPLICATION**

Answer all questions.

Time: 03 hours

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**(01) a) Select correct answer for questions from (i) - (xviii)**

- i. \_\_\_\_\_ occurs when one business transmits computer-readable data in a standard format to another business.
- a) EFT
  - b) VAN
  - c) EDI
  - d) LAN
- ii. Banks use \_\_\_\_\_, which are electronic transmissions of account exchange information over private communication networks
- a) WANs
  - b) EDIs
  - c) EFTs
  - d) LANs
- iii. Select top-level domain names for businesses and commercial enterprises
- a) .org
  - b) .net
  - c) .com
  - d) .gov
- iv. Which of the following is not one of the benefits of e-commerce to sellers?
- a) E-commerce can help to reduce costs.
  - b) E-commerce is a powerful tool for customer relationship building.
  - c) E-commerce offers greater flexibility in meeting customer needs.
  - d) E-commerce increases the net cost per contact.

v. The E-commerce domain that involves business activity initiated by the consumer and targeted to businesses is known as:

- a) Business to Consumer (B2C).
- b) Business to Business (B2B).
- c) Consumer to Consumer (C2C).
- d) Consumer to Business (C2B).

vi. \_\_\_\_\_ marketing is the Internet version of word-of-mouth marketing.

- a) Visceral
- b) Viral
- c) Virtual
- d) Virile

vii. For carrying out B2B e-Commerce the following infrastructure is essential:

- i) World Wide Web
- ii) Corporate network
- iii) Electronic Data Interchange standards
- iv) Secure Payment Services
- v) Secure electronic communication link connecting businesses

Which is the correct order?

- a) i, ii, iii
- b) ii, iii, iv
- c) ii, iii, iv, v
- d) i, ii, iii, iv, v

viii. Advantages of B2C commerce are

- i) Business gets a wide reach to customers
- ii) Payment for services easy
- iii) Shop can be open 24 hours a day seven days a week
- iv) Privacy of transaction always maintained

Which is the correct order?

- a) i and ii
- b) ii and iii
- c) i and iii
- d) iii and iv

ix. Disadvantages of e-Commerce in Sri Lanka are

- (i) Internet access is not universally available
- (ii) Credit card payment security is not yet guaranteed
- (iii) Transactions are de-personalized and human contact is missing
- (iv) Cyberlaws are not in place

Which is the correct order?

- a) i and ii
- b) ii and iii
- c) i, ii, iii
- d) i, ii, iii, iv

x. In B2B e-Commerce

- (i) Co-operating Business should give an EDI standard to be used.
- (ii) Programs must be developed to translate EDI forms to a form accepted by application program.
- (iii) Method of transmitting/receiving data should be mutually agreed
- (iv) It is essential to use internet.

Which is the correct order?

- a) i, ii
- b) i, ii, iii
- c) i, ii, iii, iv
- d) ii, iii, iv

xi. By security in e-Commerce we mean

- (i) Protecting an organization's data resource from unauthorized access
- (ii) Preventing disasters from happening
- (iii) Authenticating messages received by an organization
- (iv) Protecting messages sent on the internet from being read and understood by unauthorized persons/organizations

Which is the correct order?

- a) i, ii
- b) ii, iii
- c) iii, iv
- d) i, iii, iv

- xii. A firewall is a
- a) Wall built to prevent fires from damaging a corporate intranet
  - b) Security device deployed at the boundary of a company to prevent unauthorized physical access
  - c) Security device deployed at the boundary of a corporate intranet to protect it from unauthorized access
  - d) device to prevent all accesses from the internet to the corporate intranet
- xiii. By encryption of a text we mean
- a) Compressing it
  - b) Expanding it
  - c) Scrambling it to preserve its security
  - d) Hashing it
- xiv. By symmetric key encryption we mean
- a) One private key is used for both encryption and decryption
  - b) Private and public key used are symmetric
  - c) Only public keys are used for encryption
  - d) Only symmetric key is used for encryption
- xv. Public key encryption method is a system
- a) Which uses a set of public keys one for each participant in e-Commerce
  - b) In which each person who wants to communicate has two keys; a private key known to him only and a public key which is publicized to enable others to send message to him.
  - c) Which uses the RSA coding system.
  - d) Which is a standard for use in e-Commerce.
- xvi. A digital signature is
- a) A bit string giving identity of a correspondent
  - b) A unique identification of a sender
  - c) An authentication of an electronic record by tying it uniquely to a key only a sender knows
  - d) An encrypted signature of a sender

xvii. A digital signature is required

- (i) To tie an electronic message to the sender's identity
- (ii) For non repudiation of communication by a sender
- (iii) To prove that a message was sent by the sender in a court of law
- (iv) In all e-mail transactions

Which is the correct order?

- a) i and ii
- b) i, ii, iii
- c) i, ii, iii, iv
- d) ii, iii, iv

xviii. In SET protocol a customer encrypts credit card number using

- a) His private key
- b) Bank's public key
- c) Bank's private key
- d) Merchant's public key

b) State whether the following statements are True or False.

- i. A portal is an Internet gateway to a large variety of information and services. (T/F)
- ii. Lack of consumer confidence in EC security is a limitation of EC. (T/F)

(1.5 X 20 = 30 Marks)

(02) a) Briefly explain the purchasing process taking place in B2C Electronic Commerce. (05 Marks)

b) "Internet is the most important factor for Electronic Commerce Transactions", briefly explain the statement. (04 Marks)

c) Describe the process of Internet shopping. List the major steps involved. (06 Marks)  
(Total Marks 15)

- (03) a) Why do customers like web-based purchase? What cultural and social factors would affect Sri Lankan web-based purchases? (08 Marks)
- b) Traditional Payment System is not suitable for Electronic Commerce. Do you agree with this statement? Explain. (04 Marks)
- b) Describe what is meant by m-commerce? How does it differ from e-commerce (05 Marks)
- c) Describe how online web sites operations can be protected by from hackers? (03 Marks)
- (Total Marks 20)

(04) Describe two topics from list A and two from list B.

**List A**

e-Sri Lanka  
RFID  
Web Portals

**List B**

Bluetooth  
Pulling and Pushing Information  
Mobile Employees

(05 X 04 = 20 Marks)

- (05) a) What is Online Banking? Briefly discuss the advantages and disadvantages.
- b) Compare and Contrast Smart Cards and Traditional Credit Cards Transactions?
- c) Why is web server bandwidth an important issue for e-commerce sites?

(05 X 03 = 15 Marks)