



THE OPEN UNIVERSITY OF SRI LANKA
 COMMONWEALTH EXECUTIVE MASTER OF BUSINESS/PUBLIC ADMINISTRATION
 PROGRAMME
 FINAL EXAMINATION 2013
 E-COMMERCE MCP2601

DURATION: THREE (03) HOURS

DATE: 28th July, 2013

TIME: 9.30 am – 12.30 pm

INSTRUCTIONS

- Answer **Four (04) questions including question (Q1)** (compulsory question).
- Write legibly and be focused.
- Question No.1 carries 46 marks and questions in Part-B carries 18 marks each.

Part A – Compulsory question.

Q1.

(a)

Emalluk.com is a well-known food retail group in Britain with a presence in Europe and Asia. The company is a pioneer online store and has a physical warehouse network. It maintains a good profile in its online store. The Emalluk.com acts as a portal to most of Emalluk's products including food and non-food range (books, movies, white goods, FMCGs, etc.). In addition, it provides 'Emalluk Personal Finance', telecom services, and services provided through other service providers such as dieting clubs, airline ticketing, holidays and DVD rentals.

There are many other competitors in the field providing similar services. Therefore, Emalluk makes many efforts in customer relationship management (CRM) to capture new customers as well as to retain the existing customers as active customers. For existing customers, e-mail marketing and direct marketing provide special offers and promotions. Further, it takes many efforts in maintaining their web site as a secure site for transactions.

- (i) With examples, describe three main features that need to be present in Emalluk.com.
- (ii) Describe the advantages and disadvantages of being a first mover for Emalluk.com.
- (iii) Develop suitable strategies for CRM to attract new customers and to maintain and mobilize existing customers. Explain.
- (iv) Describe the security features that can be adopted by the site for transactions.

(30 marks)

b). **State whether the following statements are TRUE or FALSE. Briefly provide reasons for your answer.**

- (i) The Internet is designed to operate without centralized control.
- (ii) In a reverse auction, the seller sets a price and customers make individual bids to buy an item.
- (iii) In the demand sensitive pricing model, the price decreases as more people buy.
- (iv) Increasing the security of a network often decreases its functionality and efficiency.
- (v) eCash is accepted by all e-commerce web sites as a form of payment.
- (vi) Direct mail marketing is more cost effective compared to e-mail marketing.
- (vii) Developing customer centric e-commerce web sites is yet a dream.
- (viii) There are no digital technologies to invade the privacy of a customer.

(2 marks × 8 = 16 marks)

Part B - Answer any Three (03) questions from the following.

Q2.

- (i) Explain the relationship between the concepts of 'e-commerce' and 'e-business'. (5 marks)
- (ii) 'With rapid developments in technology, many companies wish to have a web presence.' Why a company may wish to adopt e-commerce? Explain. (5 marks)
- (iii) 'Though economy is expanding, Sri Lankan business sector is yet slow in adopting e-commerce.' Explain the limitations in relation to the business sector and customers that prevent organizations from widespread usage of e-commerce. (8 marks)

Q3.

- (i) 'With the emergence of e-commerce, there has been a considerable change in the channel structures of market place.' Describe the disintermediation and re-intermediation using examples. (6 marks)
- (ii) Compare and contrast market potential for B2B and B2C business models. (6 marks)
- (iii) Compare and contrast 'intranet', 'extranet' and 'the Internet' from e-business perspectives. (6 marks)

Q4.

- (i) 'With the new digital modes of communication, organizations promote virtual communities.' Discuss the advantages and disadvantages in having virtual communities with respect to e-commerce environment. (6 marks)
- (ii) Describe the revenue models that can be adopted by a portal such as 'Yahoo'. (4 marks)
- (iii) 'Business organizations are slowly moving to e-procurement'. Describe different elements of an e-procurement system highlighting the advantages and disadvantages of utilising e-procurement for an organization. (8 marks)

Q5.

- (i) Assume that you have been appointed as an e-commerce manager for a bank operating in Sri Lanka with a global presence. Produce a checklist of all legal and ethical issues that you need to check for compliance on the existing web site of the bank. You are required to give reasons in relation to each item in the checklist. (8 marks)
- (ii) Describe different types of possible security threats for an e-commerce site. (4 marks)
- (iii) Explain different approaches that can be adopted by an e-commerce site to ensure a secure transaction for customers. (6 marks)

Q6.

- (i) 'Moving to e-commerce is not only an investment in terms of money. It also needs change management efforts.' Explain. (6 marks)
- (ii) Assume that you are working in a bank as a manager in charge of e-commerce operations. According to a recent management decision, it was decided to outsource the functions of developing an e-commerce site for the bank. Prepare a report highlighting the positive as well as negative impacts of outsourcing the functions of e-commerce strategy; e-commerce hosting, e-commerce content development and updating. Provide your recommendations. (12 marks)

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