

Question No: 31 (Marks: 2)

What is Competition between existing players?.

Answer

Competition within businesses to get more customers and trade at a price that produces a satisfactory profit. If there are lots of players of the same size, capacity and strategy having little difference between their goods, then there is fierce competition among them as regards the price of the goods. Even a small change in the price of the product/service can be crucial for the business. Again the use of EC can cause a significant difference by reducing administration/transaction cost, increasing efficiency of the supply chain, improving product quality and customer service.

Question No: 32 (Marks: 2)

What is the use of CRC in communication over the network?

Answer

Cyclical Redundancy Check (CRC), help us to confirm integrity of data frames. CRC are used in all types of communications. All packets sent over a network connection are checked with a CRC. Also each data block on your hard disk has a CRC value attached to it. Modern computer world cannot do without these CRC calculations. They are widely used because they are powerful, detect many types of errors and are extremely fast to calculate especially when dedicated hardware chips are used.

Question No: 33 (Marks: 2)

What is the Key difference between the B2C and B2B?

Answer

B2C stands for Business-to-Consumer and deals between electronic markets to consumer (end user) directly e.g. Amazon.com, while B2B is Business-to-Business and make bridge between two or more organization.

Question No: 34 (Marks: 2)

What is meant by online defamation?

Answer

A defamatory statement is a false statement that injures the reputation of on another company. In cases of defamation the appeal taken by the defendant is that his

statement is not false. Rather, it is a 'fair comment'. In case defamation is done using the internet, it is termed as online defamation.

Question No: 35 (M a r k s: 3)

In ETO, what are functions of Accredited Certification Service Provider?

Answer

Accredited Certification Service Provider means a Certification Service Provider accredited under this Ordinance to issue certificates for the use of its cryptography services.

Question No: 36 (M a r k s: 3)

SSL is better than SET. Do you agree with this statement? Justify your answer.

(1+2)

Answer

Yes I agree with this statement that SSL is better than SET because SSL only handles secured transmission of credit card no. but SET is designed to handle the whole transaction in a secured manner using dual signatures.

SSL is a general purpose protocol built into the browser, whereas SET requires software on, both, the client and the merchant side.

SET uses a hierarchy of certificates for authentication.

SET is complex and distribution of certificates is sometimes not stable.

SET increases transaction cost. SET transactions are slower than SSL.

SET uses a payment gateway for secured transmission of information.

Question No: 37 (M a r k s: 3)

What is meant by connectivity media in networking? What are two different options to connect computers on a network? 1+2

Answer

A network can be any thing from a simple collection of computers at one location connected through a connectivity media to internet (a global network of networks).its has two options, 1 multiple I.P address 2: internet connection sharing via software

Question No: 38 (M a r k s: 3)

Write down the principles of private legislation?

Answer

A private legislation is a private bill, proposal for a law that would apply to a particular individual or group of individuals, or corporate entity. Following are the principles:

1. A private bill should only be passed at the explicit request of the persons who are to benefit from the legislation.
2. Pertinent information regarding a private bill should be made available to all interested persons.
3. All persons or bodies affected by a private bill should be heard and the need for the bill demonstrated.
4. The financial burden of considering a bill for the benefit of private interests should not be borne solely by the public treasury.

Question No: 39 (M a r k s: 5)

What is cyber squatting and its purpose? Give its example.

Answer

The act of deliberately registering domain names having trademarks of famous companies to later blackmail or demand payment from those companies is called cyber squatting. For example; Assume there is a firm 'Nassir Enterprise' and it wants to have its web site. It also wants to have the word 'Nassir' as a part of its domain name because for years it has been recognized in the market through this word. However, at the time of registration of its domain name it finds that a person Mr. 'A' who has nothing to do with the business of the firm or the word 'Nassir' has already registered a domain name containing this word as a part of it. Since there cannot be two similar domain names, the firm is forced to request Mr. 'A' to transfer that domain name to it. In response, if Mr. 'A' blackmails or claims ransom from the said firm, he would be said to have committed cyber squatting.

Question No: 40 (M a r k s: 5)

How much benefits you can derive from E-banking? Brief shortly each.

Answer

Followings are some advantages getting from E-banking:

- Banking around the clock is no longer a remote possibility. But the banks don't have to keep their branches open 24 hours a day to provide this service. This is one of the biggest advantages of Internet banking.
- One doesn't have to go to the bank's branch to request a financial statement. You can download it from your online bank account, which shows you up-to-the-minute updated figures.
- Another advantage of Internet banking is that it is cost-effective. Thousands of customers can be dealt with at once. There is no need to have too many clerks and cashiers.
- The administrative work gets reduced drastically with Internet banking. Expenditures on paper slips, forms and even bank stationery have gone down, which helps raise the profit margin of the bank by a surprisingly large number.
- As far as customers are concerned, their account information is available round the clock, regardless of their location.
- They can reschedule their future payments from their bank account while sitting thousands of miles away. They can electronically transfer money from their bank accounts or receive money in their bank accounts within seconds
- You can apply for a loan without visiting the local bank branch and get one easily. You can buy or sell stocks and other securities by using your bank accounts.
- Get current account balances at any time

We can check our accounts balances from anywhere of world, no need to go bank.

- Obtain credit card statements

If you want reconcile your statements you can get easily from it.

- Pay utility bills

Paying bills by credit card give much relief to users, no need of stand in queue for

long time.

- Download account information

Any info you want about your account, get from online bank accounts

- Transfer money between accounts

Money transferring is not headache, no need of stand in queue for long time.

- Send e-mail to your bank

It's no easier to live in contact with your bank.

- Handle your finances from

You can manage finances from it.

Question No: 31 (M a r k s : 2)

What is meant by EDI?

Answer Page # 147

EDI is used by organizations for transactions that occur on a regular basis. According to a pre-determined format. It involves exchange of electronic business documents, i.e., purchase orders, invoices etc.

Question No: 32 (M a r k s : 2)

What do we mean by “Affiliation” between two parties? Explain shortly.

Answer

Affiliation:

Generally, affiliation exists when one business controls or has the power to control another or when a third party (or parties) controls or has the power to control both businesses. Control may arise through ownership, management, or other relationships or interactions between the parties. Merger is an example of affiliation.

Question No: 34 (M a r k s : 2)

What term/matters does the concurrent legislative list sets out according to (ETO) 2002?

Answer Page # 163

ETO is the law introduced in 2002 which extends to the whole of Pakistan. It basically provides legal recognition to documents in electronic form and to electronic signatures. To understand this law, it would be useful to revise the concept related to the working of digital signature technology

Question No: 35 (M a r k s : 3)

Describe the importance of Customer Relationship Management (CRM) in current scenario.

Answer Page # 136

It provides fast and effective service to customers and ensures that corrective measures are readily in place. CRM includes call handling, sales tracking and Transaction support (technology/personnel etc.). One major goal of CRM is to establish a long-lasting relationship between a company and its customers.

Question No: 37 (M a r k s : 3)

How many legislative list(s) is(are) in Constitution of Islamic Republic of Pakistan at end?

Answer Page # 165

The Constitution of Islamic Republic of Pakistan, 1973 is the supreme law of the country, which means that every other law in Pakistan has to confirm to the terms of the constitution.

It contains two legislative lists at its end, that is, the Federal legislative list and Concurrent legislative list.

The federal legislative list sets out those items/subjects on which only the federal legislature can make laws such as the subject related to defense of Pakistan and armed forces etc. On the other hand, matters contained in concurrent legislative list are those on which both the federal and provincial legislature can enact/make laws, such as the subject related to marriage and divorce etc.

Question No: 38 (M a r k s : 3)

Write short note on Packet Filter Firewall?

Answer Page # 96

It uses a set of rules to determine whether outgoing or incoming data packets are allowed to pass through the firewall. For example, we can, as a rule, specify IP addresses of sending devices such that packets from these IP addresses are not allowed to enter the network. The Firewall would stop them from entering. A packet filter firewall is the simplest type of firewalls which operates at data link and network layers of the OSI model.

Question No: 39 (M a r k s: 5)

Discuss briefly how companies are getting competitive advantage over the other organizations through differentiation and focus?

Answer Page # 157

Companies are getting competitive advantage over the other organizations through differentiation and focus as given under:

Differentiation

Differentiation means that your product/service has certain quality that makes it more attractive than the one offered by your competitor, despite the price of your competitor's product/service is somewhat lower. For instance, you can beat your competitors for the reason that the air conditioner produced by your company is unique as it does not produce noise while in operation, whereas this feature is missing in the air conditioners produced by your competitors.

Focus

Focus strategy is defined as concentration on a single aspect of the market. That single aspect can be a particular market segment or market area or product type. For example, if my competitors are focusing on different market areas, I may, on the other hand, plan that I can be more profitable by concentrating on one particular area. It may be a particular province or a city etc. where I may have a better distribution channel.

Question No: 40 (M a r k s: 5)

Write a short note on the following Global legal issues (M a r k s: 2.5+2.5=5)

1. Territorial Jurisdiction

2. Online contracts

Answer Page # 177, 178

Territorial Jurisdiction Page # 177

There are different forms of jurisdiction. Territorial jurisdiction refers to the competence of a court to decide a case on the basis of certain geographical area / territory. So, if a dispute arises in Karachi, the courts in Karachi would only have territorial jurisdiction, and the case cannot be filed in Islamabad or Lahore. Ordinarily, territorial jurisdiction lies where the defendant resides or carries on business or the cause of action has wholly or partly arisen or the immovable property is situated (in case the matter relates to land etc.). Note that the person who files a lawsuit is called plaintiff and the person against whom it is filed is called defendant. Thus, if a contract is signed at Lahore under which Mr. Ali has to deliver certain goods to Mr. Imran at Karachi and Mr. Ali resides at Rawalpindi, then Mr. Imran can file a suit against Mr. Ali for his failure to deliver the goods. This suit can be filed at any of the three places, that is, Lahore, Karachi or Rawalpindi.

Online contracts Page # 178

In the physical world three elements must be satisfied in order to make a valid contract, namely, offer, acceptance and consideration. The same three elements must also be present in case of a valid online contract. An offer is a commitment with certain terms made to another party such as willingness to buy or sell certain product. A contract is formed when a party accepts the offer of another party for consideration. Consideration is the agreed exchange of something valuable for both the parties such as money, property or services. For example, Mr. 'A' offers to buy a basket of apples for Rs. 200, which is accepted by Mr. 'B' and thus a lawful contract comes into existence between them. Here, consideration for Mr. 'A' is the basket of apples he is getting, and for Mr. 'B', Rs. 200 in exchange of his apples. In most cases when you click 'I accept' or 'I agree' button on a web page, it indicates your acceptance to the terms of a certain offer, and this can give rise to a lawfully binding contract (also known as a click wrap agreement).

Question No: 31 (M a r k s : 1)

What is stand for WIPO?

Answer Page 182

WIPO stands for World Intellectual Property Organization.

Question No: 32 (M a r k s : 1)

Name any 3 E-Business models?

Answer Page # 128

Three E-Business models are given below

1-Storefront Model

2-Auction Model

3-Online Banking

Question No: 33 (M a r k s : 2)

What is the basic purpose of using hash function in communication?

Answer Page # 103

A hash function is applied on the message to get the message digest.

OR

Hash function is a one way mathematical function applied to a message. Result of

the hash function is unique to each message called Message Digest.

Question No: 35 (M a r k s : 3)

On what basis, generally the protection under “fair use” may be sought? Doesn’t need to explain.

Answer Page # 179

Nature of use: - the work has been used for educational and/or non-profit

purposes only;

Nature of work: - if the copied work contains factual information then it may be more effectively covered under the fair use clause as opposed to some creative work;

Extent of the work copied: - if the amount of work copied is insignificantly small then the courts might take a view favorable to the accused;

Effect on the market value of the work: - A person alleged with the copyright violation may escape any liability arguing that the work has not been circulated to many people and there has not been any negative impact on the value of actual work due to the circulation.

Question No: 36 (M a r k s : 3)

In Virtual PIN Payment system, merchant side is less secure than buyer side. Do you agree with this statement? Justify your answer. 1+2

Answer Page # 112

Yes, I agree with this statement that merchant side is less secure than buyer side merchant side is less secured in the transaction because the goods are delivered by the merchant before the payment is actually received.

Question No: 37 (M a r k s : 3)

What are the disadvantages of Data Mining? (1+1+1)

Answer

Privacy Issues: - Personal privacy has always been a major concern in this country. In recent years, with the widespread use of Internet, the concerns about privacy have increase tremendously. Because of the privacy issues, some people do not shop on Internet. They are afraid that somebody may have access to their personal information and then use that information in an unethical way; thus causing they harm.

Security issues: - Although companies have a lot of personal information about us available online, they do not have sufficient security systems in place to protect that information. For example, recently the Ford Motor credit company had to inform 13,000 of the consumers that their personal information including Social Security number, address, account number and payment history were accessed by hackers who broke into a database belonging to the Experian credit reporting agency.

Maintenance Problem: - Another problem with the data warehouse is that it is difficult to maintain. Any organization that is considering using a data warehouse must decide if the benefits outweigh the costs. Once you have paid for the data warehouse, you will still

need to pay for the cost of maintenance over time. The costs involved with this must always be taken into consideration.

Question No: 38 (Marks: 5)

Describe the advantages of E-Business in detail.

Answer Page #126

Some advantages of an e-business are given as under:

Personalized service

In fact, the nature of internet technology is such that the information about the online customers including their buying behavior can be recorded in the databases. This information can be utilized by the e-commerce site to study the needs of a particular customer. Based upon that the site can do customization and provide a personalized service to the customer.

High-quality customer service

Customers can provide their feedback or register their complaints quite conveniently in case of online business as compared to offline business, and in light of that an e-business can improve its customer services.

No inventory cost

An e-business can have minimum overhead cost. You do not need to have any special physical place to start your business or hire any staff to operate the business as required in offline business.

Worldwide reach of your business

An online business has global reach. In a way people living anywhere in the world are potential customers of an e-business.

Electronic catalogues

Electronic catalogues are used in case of an online shop. They have many advantages over paper catalogues. Therefore, online shopping can be done more quickly and in a more convenient environment.

Bulk transactions

One can do bulk transactions during one visit to an e-shop, since there is no limitation of collecting, packaging or carrying goods in contrast to shopping from a traditional offline shop.

Improved supply chain management

Typical members of a supply chain management are suppliers, manufacturers and end customers. Ultimately, the goods can be quickly delivered to the end customers due to the improved supply chain management.

Question No: 39 (M a r k s: 5)

Elaborate the importance of OLAP in decision making support for an organization.

Answer Page # 145

OLAP is important in decision making because Online Analytical Processing (OLAP) uses knowledge for the purpose of presenting data at different levels of abstraction. It is different from data mining as it does not help in making predictions. But data can be viewed and reviewed in many different ways for decision making purpose. The result is showed in form of a data cube.

Question No: 40 (M a r k s: 10)

What is Porter's 5 forces model? Discuss briefly 5 forces with its purpose.

Answer Page # 158

Porter's models helps a firm to identify threats to its competitive position, and to divide plans accordingly which includes uses of IT and E commerce to protect or enhance his competitive position .

Following are the 2 forces models of porter.

1- Threats of new potential entrants to the sector

This threats relates to the opportunity that how easily a company having different products and services can enter into the given trade sector. How efficiently it removes the barriers like IT, Capital and skills. For example to start online banking you need not to

2-Threats of substitute product or service in existing trade

3-Bargaining power of the buyers

4-Bargaining power of the suppliers

5-Competition between existing players

Question No: 41 (Marks: 10)

What are the advantages and disadvantages of offline and online catalogues?

5+5

Answer Page # 127

Paper catalogs

Advantages

Easy to create a catalog without high technology

Reader is able to look at the catalog without computer system

More portable than electronic catalog

Disadvantages

Difficult to update changes in the product information

Only limited number of products can be displayed

Online or electronic catalogs

Advantages

Easy to update product information

Able to integrate with the purchasing process

Good search and comparison capabilities

Able to provide timely, up-to-date product information

Can provide broad range of product information

Possibility of adding voice and motion pictures

Cost savings

Easy to customize

Question No: 31 (M a r k s: 1)

What is a basic purpose of payment gateway in SET transactions? Explain shortly.

Answer Page # 122

The role of payment gateway is to connect entities on the internet with those which are not on the internet such as the electronic network of banks. Payment gateway provides the security of data transmission to/from the acquirer bank.

Question No: 32 (M a r k s: 1)

‘Provide after sales service and support’ is one of the areas in a strategic business unit according to Michael Porter. List what kind of activities is performed in this area?

Answer Page # 152

‘Provide after sales service and support’ refer to those activities that aim at promoting a continuing relationship with customers, e.g, installing, testing, repairing, maintaining a product, fulfilling warranties etc.

Question No: 34 (M a r k s: 2)

Discuss briefly how a software developer who releases annual updates of his software can reduce the price of his product and increase sales revenue in an Ecommerce environment.

Answer Page # 152

A software developer who releases annual updates of his software might consider eliminating software retailer from distribution channel for updates by offering to send updates through internet directly to his customers. In this way he can reduce the price of

his product and increase sales revenue since revenue margin payable to the retailer can now be cut down from the price.

Question No: 35 (M a r k s: 3)

Under Section 21 of the ETO, the funds of the Certification Council shall comprise of?

Answer Page # 169

The functions of the Certification Council are described in Section 21. Mainly, the council would grant, renew, suspend, revoke any accreditation certificates to the certification service providers, and would monitor compliance of certification service providers with the provisions of the ordinance. It would also be responsible for setting up and maintaining a repository/database where information about accreditation certificates and digital certificates issued to the subscribers would be placed and accessible by public at large.

Question No: 36 (M a r k s: 3)

What is business promotion? Briefly explain any two methods of business promotion.
1+2

Answer Page # 133

E-business promotions can attract visitors to your site and induce them to purchase. Promotional messages can be sent both online and offline.

Frequent-flyer miles

The online business has a contract with an airline such that the customer of the business earns specific miles from the airline free of charge if he purchases from the online business items up to a certain value.

Point-based rewards

On the performance of a pre-specified action, customers can be entitled to pointbased rewards – t-shirts, mugs etc. with the company's logo etc.

Question No: 37 (M a r k s: 3)

How does the client purchase from merchant using E-Cash Payment system? Show the payment request format.

Answer Page # 118

E-cash Purchase

Having received an order the merchant sends a payment request to the client in the following format:

Payreq={ currency,amount,timestamp,merchant_bank ID, merchant_accID, order description }

Question No: 40 (M a r k s: 10)

What elements should we consider for global marketing of e-businesses? Describe briefly.

Answer: Page # 139

As a marketer, when you are aiming at marketing your business in the entire world, you have to keep certain considerations in mind. Your web design must provide content in various languages and provide prices in various currencies, so that people belonging to different countries/cultures can understand the information contained in your web site. A regular display of currency exchange rate information can be useful in this behalf. Today, tools exist that can translate emails and your web sites into different languages. Another important consideration should be as to whether the country where you are doing the business has the required infrastructure to support your e-business. For example, whether you have a proper distribution channel of your products in a country you are doing business in. Similarly, you should carefully choose a payment system for your e-business which is compatible with the environment of a country where you are doing business. For example, a payment mechanism using SET cannot be considered as compatible with business environment in most of the third world countries.

Question No: 41 (M a r k s: 10)

Give an example to show how members of supply chain can work together to reduce inventory, increase quality of product, reduce production cost and increase process speed.

Answer: Page # 156

In 1997 the company had to stop its two assembly operations for several weeks due to errors in production and scheduling system causing it a huge financial loss. Thereafter, it decided to invest in information systems in every element of its supply chain. Involving its suppliers in the process, it began the use of EDI and internet technology, so that the suppliers could supply the right part or assembly at right time to prevent production delay. Now, the suppliers could get engineering specifications and drawings before the start of manufacturing using a secure internet connection, and plan their own business activities, accordingly. Also, members of the supply chain could have the knowledge of the completion of milestones and any changes in production schedule. In two years time, this approach resulted in reducing half the time needed to complete individual assembly processes. Thus, instead of waiting for 3 years the customer airlines could now have the ordered airplane ready for delivery in 10-12 months. Furthermore, the company launched a spare parts web site for ordering replacement parts. The site allowed customer airlines to register and order for replacement parts through browsers. Soon, the site was processing 5000 transactions per day at much lower cost as compared to orders cost through phone, mail, or fax. It also improved customer service in the sense that most parts could now be delivered the same day or the next day.

Question No: 30 (M a r k s: 1)

LDA stands for _____

Answer:

► **Lahore Development Authority**

Page #165

For example, the Lahore Development Authority (LDA) is a statutory body established under the Lahore Development Act, 1975 (a provincial statute

► **Lahore Development Act**

Question No: 31 (M a r k s: 2)

What is Data Mining?

Answer P # 140

Data Mining can be defined as the task of discovering interesting patterns from large amounts of data, where the data can be stored in databases, data warehouses, or other information repositories.

Question No: 32 (M a r k s: 2)

What is the purpose of FRAMESET tag?

Answer Page # 31

Frameset page divides the browser window into a set of frames and defines the size of each frame. It also specifies which content pages are displayed in which frame. It has no body section (no body tag). Content pages are just regular HTML pages.

Question No: 33 (M a r k s: 2)

What do we mean by "Free-Trial" promotion technique?

Answer Page # 133

"Free-Trial" promotion technique:-

Customers can sign up for a free service. For example, they can be allowed to download software for certain days free of cost on trial basis before buying it.

Question No: 34 (M a r k s: 2)

What is UNCITRAL?

Asnwer Page # 176

Most of the countries have, by now, made laws providing recognition to electronic documents and electronic signatures. They have basically followed a model law on ecommerce proposed by a U.N. body called UNCITRAL (United Nations Commission on International Trade Law) in 1996.

Question No: 35 (M a r k s: 3)

Write precisely about the 4th stage of planning cycle?

Answer Page # 160

Strategy assessment

Results of implementation plan are monitored and assessed so that any corrective measures or expansion plan can take place. Basically, you want to assess whether your strategy has delivered what it was supposed to deliver; whether your strategy is still viable/workable in the ever changing environment. In strategy assessment phase, you can learn from your mistakes and do your future planning. In case your EC project has been a failure, you can identify the problems and try to remove them. Some of the corrective measures can be to properly train your web team, establish or review your security or privacy policy, review or reassess your web design content, reconsider your marketing plan etc. For the strategy assessment, you can conduct surveys, collect information and receive feedback from different groups of people so that you have solid input from people coming from a variety of background. Sometimes, you have to entirely give up a particular strategy you followed and formulate a new strategy or set of strategies in light of the company's main objective or its mission.

Question No: 36 (M a r k s: 3)

Discuss the role and responsibilities of “Transport layer” in OSI model?

Answer Page # 5&6

TCP (Transmission Control Protocol) or UDP (User Datagram Protocol) operate at this layer. It has two functions. It converts the data into data packets. Secondly, it is responsible for flow control of data. TCP is more reliable as it is acknowledgment based as opposed to UDP which does not use any system of acknowledgment for the delivery of data packets.

Question No: 37 (M a r k s: 3)

How lack of trust barrier can be overcome or minimized? Discuss it briefly

Answer Page # 161

Lack of Trust

It is very important for online businesses to establish trusting relationships with their customers like in the physical world where companies ensure that customers know who they are. However, it is difficult to build trust because a kind of anonymity exists for companies trying to establish web presence. There was, once, a famous cartoon used to depict that on the internet nobody knows whether you are a dog. The issue of anonymity can be explained by the example that a visiting customer will not know in case of an online bank as to how large or well-established the bank is, simply by browsing through its web site. On the other hand, visitors would not become customers unless they trust the

company behind the site. Thus, a plan for establishing credibility of an online business is extremely crucial for its success. In this behalf, attention to the needs of the site visitors is very important while designing the web site, since it can be helpful in building trust with customers. For instance, there should be easy to find web pages that answer questions of the visitors. Note that companies with established brands can build trust for online business more quickly as compared to a new company/business without reputation, since a brand conveys expectations about how the online business would behave. For example, how the seller online business would react to a claim of refund by the customer.

Question No: 38 (M a r k s: 3)

Write the names of companies who were helper in developing Secure Electronic Transaction.

Answer Page # 122

The two companies who were helper in developing Secure Electronic Transaction are Visa, MasterCard, Netscape and Microsoft in 1997.

Question No: 39 (M a r k s: 5)

Differentiate between **Cyber squatting and concurrent use** with example.

Answer Page # 181 & 182

Cyber squatting

The act of intentionally registering domain names containing trademarks / trade names of prominent companies to later blackmail or demand ransom from those companies is called cyber squatting. It is regarded as an offence in most countries.

Assume there is a firm 'Glory Enterprise' and it wants to have its web site. It also wants to have the word 'glory' as a part of its domain name because for years it has been recognized in the physical world through this word. However, at the time of registration of its domain name it finds that a person Mr. 'A' who has nothing to do with the business of the firm or the word 'glory' has already registered a domain name containing this word as a part of it. Since there cannot be two similar domain names, the firm is forced to request Mr. 'A' to transfer that domain name to it. In response, if Mr. 'A'

Concurrent use

This problem arises when two organizations have apparently legitimate claim to use the same domain name but cannot do so due to the uniqueness of domain names.

Suppose, there is a company manufacturing electronic goods and another company selling French fries. Under the traditional trade mark law both these companies can have the same trade mark/trade name such as 'frys'. The problem arises when both apply for the registration of a domain name containing the word 'frys'. Here, both are legitimate claimants of this domain name but due to the element of uniqueness of domain names only one of them can be assigned the desired domain name.

Question No: 40 (M a r k s: 5)

Explain 'Confidence' and 'Support' as two measures of Association?

Answer Page # 144

'Confidence' is a measure of how often the relationship holds true e.g., what percentage of time did people who bought milk also bought eggs. Support means what is the percentage of two items occurring together overall. Mathematically, they can be expressed as follows if we take the example of eggs and milk:

Confidence = Transactions (eggs+milk)

Transactions (eggs or milk or both)

In case no. of transactions involving eggs and milk are 25 and those involving eggs or milk or both are 75 then confidence is $25/75 * 100 = 33.3\%$

Support = Transactions (eggs+milk)

Total no. of transactions

In case no. of transactions involving eggs and milk are 10 and total no. of transactions in a day are 50 then support is $10/50 * 100 = 20\%$

Question No: 31 (M a r k s: 2)

What you understand about Denial of services (DOS) attacks?

Answer Page # 95

Denial of services (DOS) attacks

In this type of attack, the attacker gains access to the network and then send invalid data to network services or applications. These services or applications consequently become unable to perform their normal tasks or functions. Hence, sending a flood of data to a particular service or computer can cause it to overload or shutdown. This attack is specially used to take down websites on the internet, when repeated requests for web pages are deliberately initiated so as to choke down a web server.

Question No: 32 (M a r k s: 2)

How the Porter's model helps a firm to devise a plan?

Answer Page # 158

Porter's Model helps a firm to identify threats to its competitive position and to devise plans including the use of IT and e-commerce to protect or enhance that position. Porter identified five forces of competitive rivalry described as under:

Threat of potential/new entrants to the sector

Threat of substitute product or service in the existing trade

Bargaining power of the buyers

Bargaining power of the suppliers

Competition between existing players

Question No: 33 (M a r k s: 2)

Define electronic signature?

Answer Page # 158

Electronic Signature means any letters, numbers, symbols, images, characters or any combination thereof in electronic form, applied to, incorporated in or associated with an electronic document, with the intention of authenticating or approving the same, in order to establish authenticity or integrity, or both".

Question No: 34 (M a r k s: 2)

In SSL handshaking what is meant by Cipher Suite?

Answer Page # 121

SSL Handshake

SSL supports a variety of encryption algorithm and authentication methods. The combination of algorithms and methods is called a cipher suite.

Question No: 35 (Marks: 3)

What do you know about interactive advertisement? Briefly explain.

Answer Page # 134, 135

Interactive Advertising

It uses a combination of rich media (such as audio, video, animations) and traditional forms (such as print, TV or radio ads) in order to involve customers in advertising process to increase brand recognition. For example, there is a famous business that uses this marketing technique. Its TV commercial induces/encourages viewers to access its website from where customers can select/download various action pictures and background music. Thus, by involving a customer in the advertising process itself, it attempts to increase its brand recognition for the customers.

Question No: 38 (Marks: 3)

Describe 'Online Analytical Processing (OLAP)' in short?

Answer Page # 145

Online Analytical Processing (OLAP)

OLAP makes use of background knowledge regarding the domain of the data being studied in order to allow the presentation of data at different levels of abstraction. It is different from data mining in the sense that it does not provide any patterns for making predictions; rather the information stored in databases can be presented/ viewed in a convenient format in case of OLAP at different levels that facilitates decision makers or managers. The result of OLAP is displayed in the form of a data cube

Question No: 40 (M a r k s: 5)

Write down the list of major global issues of e-commerce.

Answer Page # 176 to 184

Some major global legal issues of e-commerce. They are listed as follows:

Territorial jurisdiction

Online contracts

Copyright in cyberspace

Domain name and trademark conflicts

Online defamation

Online privacy

Issues of taxation on internet

Cyber crimes of a data cube.

Question No: 33 (M a r k s: 2)

What is ONLINE BANKING?

Answer Page # 128

Online banking provides services to the customers through internet including services of electronic funds transfer.

Question No: 34 (M a r k s: 2)

Define these two terms plaintiff and defendant?

Answer Page #177Plaintiff:-

The person who files a lawsuit are called plaintiff.

Defendant:- The person against whom a lawsuit is filed is called defendant.

Question No: 36 (Marks: 3)

What do we mean by internet-based EDI? Briefly explain how could it be used as substitute of VAN? (1 + 2)

Answer Page # 149

Internet-Based EDI:-

Internet can support EDI in a variety of ways. Internet e-mail can be used as EDI message transport mechanism in place of having a VAN. An extranet can be created with the trading partner allowing a partner to enter information in the fields of web forms which correspond to the fields of EDI message. Also, web-based EDI hosting service can be utilized through web-based EDI software.

However, a lot of work is still required to be done to make use of and popularize internet based EDI.

Question No: 37 (Marks: 3)

Briefly explain how the bank check validity of e-coins does when merchant sends them for deposit?

Answer Page #118

Making the Payment:-

Coins used in the payment are encrypted with bank's public key, preventing the merchant to view them. Payment information is forwarded to the bank with encrypted coins during merchants deposited. Only hash of the order description is included in payment information preventing the bank from knowing the order details.

Question No: 38 (Marks: 5)

Describe the advantages and disadvantages of Virtual PIN. (2.5+2.5)

Answer Page #112

Advantages of Virtual PIN:

- Simplicity
- No encryption
- No special software is required
- User friendly front end
- In case of fraud only sales are lost

Disadvantages of Virtual PIN:-

- Pre-registration of the buyer and the merchant with FV
- Maintaining a bank account in case of merchant is essential
- Having a credit card in case of a buyer is also essential part of this system
- Merchant side is less secured in the transaction because the goods are delivered by the merchant before the payment is actually received
- Extremely long waiting period between when a sale is made and when a payment is deposited in merchant's accounts

Question No: 40 (Marks: 10)

How strategies are formulated and implemented? Explain it with real world example.

Answer Page #161

Strategy Formulation:-

Based upon this study of internal and external business environment and in light of a company's strengths and weaknesses, a competitive business strategy is formed. It may be a strategy of cost leadership, product differentiation or focus. One can also identify ways how information technology can be used to implement/enforce such strategy.

Strategy Implementation:-

- In the implementation stage, you build a plan to identify steps needed to put the strategy into action and practically take those steps. For example, where your strategy is to pursue differentiation in terms of quality of service by using/arranging a web-based call centre through which the customers can immediately register their complaints; then you will have to select appropriate individuals who are suitable for the job in the implementation stage.
- Creating a web team and defining the role of each member of the team is a critical component of implementation stage. For example, you define that this person would be the team leader; this would be in the technical staff, or the management staff. Note that involvement of key persons from marketing, accounting, finance,

- human resource, IT, customer relations etc. will be important in decision making as to how a particular implementation plan can be executed.
- A strategic plan can be at times initially implemented in terms of a pilot project before launching it to a full scale. For example, an automobile manufacturer in America had implemented a plan/scheme which allowed the potential customers to have scheduled test drives before buying a particular car. Initially, this scheme was introduced to four American states but later it was implemented all over the country.
 - Another point is to consider whether you should build your own infrastructure for execution or outsource the task of execution of a strategic plan. For example, where a strategic plan requires a particular web design, you can either manage your own team of web designers or outsource this task to an outside firm having expertise in this area.

Question No: 41 (M a r k s: 10)

How can you define the concept of cyber banking? How it takes place? What is its important role in E-Commerce? (3+2+5)

Answer Page #150, 151

Electronic Banking/ cyber banking:-

Electronic banking, also known as cyber banking, virtual banking, home banking and online banking, includes various banking activities conducted from home, business, or on the road, instead of at a physical bank location.

Important role of cyber banking in E-Commerce:-

- Get current account balances at any time
- Obtain credit card statements
- Pay utility bills
- Download account information
- Transfer money between accounts
- Send e-mail to your bank
- Manage your own schedule
- Handle your finances from any location
- Apply for loans online

For banks, e-banking represents an inexpensive alternative to branch banking and a chance to enlist remote customers.

Question No: 01(marks: 2)

What is web server.

Answer page # 90

Web server:

You know that web server is a machine that serves up the web page requests of a client on the internet. It is a combination of hardware and software. Decision as regards the type of a web server is largely dependent on the volume and type of web activities. So, transaction processing sites generating dynamic pages with high traffic volumes would need web server software that is more efficient and can easily be upgraded.

Question No: 02 (marks: 2)

What does parse floating (string) and NaN value mean?

Answer page 67

A list of some commonly used predefined JavaScript object is given below: Global Array String Math Date Global object is an object with globally-accessible variables/properties and functions. Netscape navigator and internet explorer implement Global object, but do not allow it to be explicitly created or referenced. Instead its properties and methods are referenced directly. NaN - 'not a number' is one of its properties.

'parseFloat(string)' that parses the string as a floating point number, is the example of a function/method of Global Object. Note a general difference between properties and functions of an object in that the names of the properties are not followed by small brackets whereas the names of the functions do have small brackets following their names. Information contained in the small brackets of a function is called arguments. Also note that generally properties and functions of an object are invoked / referenced by typing the name of the object followed by a dot before typing the property or function name, e.g. document.write().

Question No: 03 (marks: 3)

Write a brief note on ERP and write any two ERP software's name.

Answer page 93

Enterprise Resource Planning

Enterprise Resource Planning (ERP) is a concept that integrates all aspects of a business e.g, accounting, logistics, manufacturing, marketing, planning, project management etc. at a single place. An ERP system such as SAP is expensive. E-commerce sites/software has to fully integrate with ERP software, wherever it is used.

Examples of ERP soft wares: SAP, GPL, AGPL, LGPL

Question NO: 04 (marks : 5)

Describe the importance of cryptography in internet data transfer security in E-commerce.

Answer page 98

Cryptography

Cryptography is the technique of converting a message into unintelligible or non-understandable form such that even if some unauthorized or unwanted person intercepts the message he/she would still not be able to make any sense out of it. Cryptography is thousands of years old.

Techniques used for cryptography Substitution In substitution we replace each letter in the message with another to make the message non-understandable. For example, each letter "a" in the message can be replaced with letter "d" and letter "b" with letter "e" and so on. Transposition It is based on scrambling the characters in a message. A transposition system may first write a message into a table row by row then the message can be read and rewritten column by column to make it scrambled.

Historically, cryptography has long been used as a military technology. Julius Ceasar used a simple transposition cipher to scramble messages to give instructions to his commanders in the battlefield. Similarly, Hitler used Enigma encryption cipher to scramble messages sent by radio to German armies and u-boats during the Second World War. Cryptography has also been used for non-military purposes over the centuries. There are records of people using cryptography to protect religious secrets and to hide secrets of science and industry. In recent years, the use of cryptography in business and commerce appears to have surpassed its earlier use. It has made the rapid commercialization of internet possible. Without cryptography, it is doubtful that banks, businesses and individuals would feel safe doing business online.

Cryptography is a collection of mathematical techniques used to ensure confidentiality of information. The process of scrambling a message with the help of a key is called Encryption. The process of unscrambling a message using an appropriate key is called decryption (see Fig. 1). Keys are numbers or characters that are randomly generated with the help of some cryptographic algorithm. Pretty Good Privacy (PGP) is the name of a popular cryptographic system which is available for general public use. There are two types of cryptography - Symmetric and Asymmetric cryptography.

Symmetric Cryptography

In symmetric cryptography same keys are used for encryption and decryption.

Asymmetric or Public Key Cryptography

In this type a pair of public and private keys is used for encryption and decryption

Electronic Payment Systems

Most of the electronic payment systems on internet use cryptography in one way or the other to ensure confidentiality and security of the payment information. Some of the popular payment systems on internet include the credit-card based payment systems, electronic checks, electronic cash, micro-payment systems (milicent, payword etc.)

Electronic Checks

Financial Services Technology Consortium (FSTC) is a group of U.S banks, research agencies and government organizations formed in 1993. It has introduced the concept of electronic checks. An electronic check contains an instruction to the payer's bank to make a specified payment to a payee. Both, symmetric and asymmetric type of cryptography is used in this system. The payer and the payee are issued digital certificates in X. 509 standard format by their respective banks. These certificates are used to verify the digital signatures on the check. A bank may include account restrictions, maximum check value, or currencies allowed by the bank in the certificate.

Pary 4 Imran Attari
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