

**EATERN UNIVERSITY, SRI LANKA**  
**FACULTY OF COMMERCE AND MANAGEMENT**  
**FINAL YEAR FIRST SEMESTER EXAMINATION IN BACHELOR OF**  
**COMMERCE HONOURS – 2021/2022**  
**FEBRUARY 2024**  
**(PROPER / REPEAT)**

**COM 4103 E-COMMERCE**

**Answer all questions**

**Time: 03 Hours**

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**Question 01**

Read the following case and answer the questions given below.

**Facebook and the age of privacy**

In a January 2010 interview, the founder of Facebook proclaimed that the age of privacy had to come to an end. According to the founder, people were no longer worried about sharing their personal information with friends, friends of friends, or even the entire Web. Supporters of founder of Facebook's viewpoint believe the twenty-first century is a new era of openness and transparency. If true, this is good news for Facebook because its business model is based on selling access to a database of personal information. However, not everyone is a true believer. Privacy limitations on what personal information government and private institutions can collect and use is a founding principle of democracies. A decade's worth of privacy surveys in the United States show that well over 80% of the American public fear the Internet is a threat to their privacy.

In 2011, Facebook began publicizing users' "likes" of various advertisers in Sponsored Stories (i.e., advertisements) that included the users' names and profile pictures without their explicit consent, without paying them, and without giving them a way to opt out. In 2011, Facebook enrolled all Facebook subscribers into its facial recognition program without notice. This too raised the privacy alarm, forcing Facebook to make it easier for users to opt out.

In 2013, Facebook agreed to partner with several data marketing companies that deliver targeted ads based on offline data. The firms provide customer data to Facebook, which then allows Facebook advertisers to target their ads to those users based on that data. In December 2013, another class action lawsuit was filed against Facebook by users alleging that it violated their privacy by scanning users' private Facebook messages and mining them for data such as references to URLs that Facebook could then sell to advertisers. In May 2014, an enhancement to Facebook's mobile app that allows the app to recognize the music, television show, or movie playing in the background when a user makes a status update raised a new privacy alarm.

After all these lawsuits and online public protests, one might think that Facebook's privacy policy would improve. But an academic analysis of Facebook's privacy policies from 2008 to 2015 found that on most measures of privacy protection, Facebook's policies have worsened. Since 2008, Facebook has made it more difficult for users to find out what information is being shared with whom, how it builds profiles, or how to change privacy settings. Users have come to realize that everything they post or say on Facebook will be given over to advertisers. There

is no privacy on Facebook. People who are concerned about their privacy, analysts have concluded, should delete their Facebook accounts.

- i. "Internet is a threat to our privacy", Critically evaluate the statement using the case of Facebook. (03 Marks)
- ii. What are the different types of revenue model available and state how Facebook generates its revenue? (03 Marks)
- iii. Who are the competitors of Facebook? Despite Facebook encountered multiple lawsuits and privacy alarms, how did Facebook manage the competition in the industry? (03 Marks)
- iv. List out any three forms of online advertisement used in Facebook (03 Marks)
- v. If you are running a business in an e-commerce platform, how can you use Facebook to improve your business? (04 Marks)
- vi. Critically evaluate the advantages and disadvantages of social media marketing. (04 Marks)

**(Total 20 Marks)**

### **Question 02**

E-Commerce business model is a set of planned activities designed to result profit in a market place and it is described through business plan.

- i. What are the eight key elements of a business model? (04 Marks)
- ii. How can an e-commerce business identify the competitiveness in the industry using the Michael Porters' five forces? (04 Marks)
- iii. What is firm value chain? State three parties who involved in value chain of Daraz.lk e-commerce platform. (04 Marks)
- iv. What is Business strategy? State any e-commerce platform which uses cost as their main strategy. (04 Marks)
- v. The process of selling goods and services directly between a business and customers who are end users is known as B2C business model. List four types of B2C e-commerce business model. (04 Marks)

**(Total 20 Marks)**

### Question 03

Businesses can build their e-commerce presence through either website or mobile applications. However, there are several factors to be considered prior development of an e-commerce presence.

- i. State three types of payment systems that can be used in e-commerce business platforms.  
(03 Marks)
- ii. UBER is a trending e-commerce platform in Sri Lanka. Perform SWOT analysis of UBER by mentioning two factors for each dimension.  
(04 Marks)
- iii. Critically evaluate outsourcing and state four consequences of hiring vendors to provide services in building the site.  
(04 Marks)
- iv. What are the five major steps of the systems development life cycle.  
(05 Marks)
- v. Write short notes on any two of the following.
  - a. Target Audience
  - b. Offline Marketing
  - c. Customer Relationship Management  
(04 Marks)

**(Total 20 Marks)**

### Question 04

E-commerce platforms should ensure the protection of their E-Commerce assets from unauthorized access, use, alteration or destruction.

- i. Explain the tradeoff situation between security and ease of use of E-commerce platforms.  
(02 Marks)
- ii. What are the three key points of vulnerability in e-commerce environment?  
(03 Marks)
- iii. Describe five dimensions of E-Commerce Security from customer perspective.  
(05 Marks)
- iv. State five most common security threats in the E-Commerce Environment.  
(05 Marks)
- v. There are tools available to achieve the site security. Name five tools used by E-commerce platforms to ensure security.  
(05 Marks)

**(Total 20 Marks)**

### Question 05

Marketing plays a significant impact on improving visibility and brand awareness of E-commerce businesses. The amount of money spent by businesses on online marketing is kept on increasing over the past few decades.

- i. Clickstream data provides an insight to marketers on how users navigate a website. Name four factors contribute to the clickstream data. (02 Marks)
- ii. Explain the importance of understanding consumer behaviour and state four factors affect the online consumer decisions. (03 Marks)
- iii. Many E-Commerce platforms use their website as a marketing communication tool to tackle the funding issues on advertising. List four factors influences the credibility of the website. (04 Marks)
- iv. What are the five stages in consumer decision process? (05 Marks)
- v. Multi-channel marketing is a practice of interacting with customers using multiple marketing channels. Describe three marketing channels used by E-Commerce business platforms using examples. (06 Marks)

**(Total 20 Marks)**