



Rewarding Learning

**ADVANCED SUBSIDIARY (AS)
General Certificate of Education
2012**

Applied Business

Assessment Unit AS 4

assessing

E-Commerce

[A3B41]

MONDAY 21 MAY, MORNING

MARK SCHEME

1 Explain the term “Internet”. With reference to **Fig. 1**, explain two examples of its use.

- Internet is
 - A worldwide network of computer systems.
 - Global network of individual networks connecting millions of computers. World Wide Web is a part of the Internet, but not the Internet itself.
- The Internet has a lot more parts other than WWW, e.g. including emails, online shopping

Examples of use in “Amazon”

The type of information placed on their website can include contact us, shop online, great offers, shopping services, suggested books, readers guide, about us, what’s new, FAQ, sitemap, privacy policy.

[2] for explanation, [4] for application. [6] 6

2 Explain **three** reasons for the growth of E-Commerce with regard to Amazon.

- Access to larger global market.
- E-Commerce – the Internet has created a new economy for Amazon therefore the company will continue to use it.
- E-Commerce facilities – provides better support for customers of Amazon.
- Amazon makes information more easily available to its customer, e.g. selling on Amazon.
- E-Commerce allows Amazon to conduct business 24/7.
- Cost effectiveness, new technology.

[3] for explanation; [3] for application. [6] 6

3 Discuss **four** principles of the Data Protection Act (1998) which Amazon must comply with.

- Data Protection Act
- Principles of the Act – Amazon must ensure:
 - Amazon customer/Personal data shall not be transferred to a country or territory outside the European Economic Area, e.g. remain within the UK;
 - Amazon customer/Personal data shall be processed fairly and lawfully, e.g. name and address;
 - Personal data of Amazon’s customers shall be processed in accordance with the rights of data subjects under this Act;
 - Personal data shall be adequate, relevant and not excessive in relation to the purpose or purposes for which they are processed;
 - Personal data shall be obtained for only specified purposes;
 - Personal data shall be accurate and, where necessary, kept up to date;
 - Personal data processed for any purpose or purposes shall not be kept for longer than is necessary;
 - Appropriate technical and organisational measures shall be taken against unauthorised or unlawful processing of personal data and against accidental loss or destruction of or damage to personal data.

Level 1 ([1]–[3])

Some knowledge and understanding of the key principles of the Data Protection Act (1998) which must be complied with by Amazon are demonstrated and there is some application in the context of the business. One key principle is properly discussed. Quality of written communication is limited.

Level 2 ([4]–[9])

Adequate knowledge and understanding of the key principles of the Data Protection Act (1998) which must be complied with by Amazon are demonstrated and there is a reasonable attempt to apply these to the context of the business. Two or three key principles are properly discussed. Quality of written communication is satisfactory.

Level 3 ([10]–[12])

Good knowledge and understanding of the key principles of the Data Protection Act (1998) which must be complied with by Amazon are demonstrated and there is an appropriate application in the context of the business. Four key principles are properly discussed. Quality of written communication is of a high standard. [12]

4 Analyse **four** costs for Amazon of trading online.

- Web designer – someone with expertise on web packages to create the Amazon website.
- Connection to the Internet – register for a www address and web space, e.g. www.amazon.co.uk
- Hardware (only accept one) – computer, modem, memory/server, printer, web camera, speakers, cables, telephone line.
- Software (only accept one) – ISP, Internet Explorer/alternative browser, web design package, database, Paypal, Virus protection, order processing, customer registration, visitor tracking.
- Other costs – line rental, broadband, ISBN.

Level 1 ([1]–[4])

Some knowledge and understanding of the costs that Amazon incurs are demonstrated and there is some application in the context of the business. One cost is properly explained. Quality of written communication is limited.

Level 2 ([5]–[12])

Adequate knowledge and understanding of the costs that Amazon incurs are demonstrated and there is a reasonable attempt to apply these to the context of the business. Two or three costs are properly explained. Quality of written communication is limited.

Level 3 ([13]–[16])

Good knowledge and understanding of the costs that Amazon incurs are demonstrated and there is an appropriate application in the context of the business. Four costs are properly explained. Quality of written communication is of a high standard. [16]

16

5 Discuss **five** benefits of E-Commerce to Amazon's customers.

- Shopping 24/7 – the Amazon website never closes. It is available all the time, downtime.
- Customers can log on to Amazon's website and view their products and prices and compare them to other similar websites, no guarantees, p+p, currency fluctuations.
- Can email for information from Amazon.
- Customers can view information on new products which Amazon may introduce, no liability, views manipulated.
- Customers can shop from anywhere, i.e. from the comfort of their own home, overseas trading risky.
- Amazon might offer a wider choice of products and services, through E-Commerce for customers, exposure to phishing.
- Amazon offers help and support for customers, product compatibility, subject to UK taxation.
- Amazon offers deals of the week, gift and wish lists for customers.
- Personalised recommendations for customers, views manipulated.

Level 1 ([1]–[4])

Some knowledge and understanding of the benefits of E-commerce to customers of Amazon are demonstrated and there is some application in the context of the business. One benefit is properly discussed. Quality of written communication is limited.

Level 2 ([5]–[12])

Adequate knowledge and understanding of the benefits of E-commerce to customers of Amazon are demonstrated and there is reasonable attempt to apply these in the context of the business. Two to three benefits are properly discussed. Quality of written communication is satisfactory.

Level 3 ([13]–[20])

Good knowledge and understanding of the benefits of E-commerce to customers of Amazon are demonstrated and there is appropriate application in the context of the business. Four to five benefits are properly discussed. Quality of written communication is of a high standard.

[20]

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6 Evaluate five ways to assess the effectiveness of Amazon’s website.

- Ensure provision of a means of communication, e.g. email contacts;
- Ensure website is easy to use and navigate, e.g. make it easy for consumers to locate different merchandise, e.g. books, music, DVD and Games, Electronics, Computers and Office, Home and Garden etc. Ensure transaction path is straightforward; inform customers if item is unavailable, or if transaction is complete, exposure to phishing;
- Ensure “back end” is easily managed;
- Avoid charging higher prices than other traditional methods, European Selling Directive;
- Provide security of transaction, exposure to hacking or fraud;
- Maintaining harmony between website and Amazon’s image;
- Assessing speed of access to website, depending on download speed, ISP;
- Ability to cope with demand.

Level 1 ([1]–[8])

Some knowledge and understanding of ways of assessing the effectiveness of Amazon’s website are demonstrated and there is some application in the context of Amazon. One to two key factors are properly evaluated. Quality of written communication is limited.

Level 2 ([9]–[16])

Adequate knowledge and understanding of ways of assessing the effectiveness of Amazon’s website are demonstrated and there is satisfactory application in the context of Amazon. Three to four key issues are properly evaluated. Quality of written communication is satisfactory.

Level 3 ([17]–[20])

Good knowledge and understanding of ways of assessing the effectiveness of Amazon’s website are demonstrated and there is appropriate application in the context of Amazon. Five factors are properly evaluated. Quality of written communication is of a high standard.

[20]

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Total

80