MULTIPLE CHOICE. Choose the one alternative that best completes the statement or answers the question.

1) _______ can be supported more effectively and efficiently through direct buyer-seller negotiations that are either offline or online, which can be done in private exchanges.
   - A) MRO
   - B) Spot buying
   - C) B2C e-commerce
   - D) Strategic sourcing

2) Companies use _______ to sell their unneeded assets for quick disposal or to dispose of excess, obsolete, and returned products.
   - A) private auctions
   - B) forward auctions
   - C) liquidation
   - D) reverse auctions

3) Denver Boards, a B2B manufacturer of snowboard equipment, can reach and target new retail customers in order to grow its online business by:
   - A) mining data.
   - B) advertising in traditional media.
   - C) hiring an affiliation service to drive traffic to its Web site.
   - D) reviewing POS data.

4) Benefits of using a third-party hosting company for conducting B2B auctions instead of developing an auction site in-house include all of the following except:
   - A) no redeployment of corporate resources
   - B) no hiring costs
   - C) no need for additional resources such as hardware, bandwidth, or IT personnel
   - D) time-to-market of several weeks

5) The _______ consists of a number of interrelated subprocesses that extend from the acquisition of materials from suppliers to packaging it and moving it to distributors and retailers.
   - A) vertical market
   - B) supply chain
   - C) production chain
   - D) horizontal marketplace

6) Nonproduction materials such as equipment and tools that support production are called:
   - A) virtual materials.
   - B) indirect materials.
   - C) direct materials.
   - D) operational materials.

7) EC companies will usually separate their B2C orders from their B2B orders because B2C and B2B orders have different:
   - A) order-fulfillment processes and pricing.
   - B) accounting and financial processes.
   - C) marketing processes.
   - D) buying and delivery processes.

8) In a sell-side e-marketplace, a business sells its products and services to other business customers, frequently over its:
   - A) intranet.
   - B) exchange.
   - C) extranet.
   - D) Web service.
9) Services provided by infomediaries to marketing managers include all of the following except:
   A) data mining to produce constructive knowledge
   B) processing existing data
   C) community services such as chat rooms and bulletin boards
   D) analyzing clickstream data

10) All are benefits of B2B except:
   A) eliminates paper and reduces administrative costs
   B) increases channel conflict
   C) creates new sales or purchase opportunities
   D) lowers search costs and time for buyers to find products and vendors

11) Benefits of e-procurement over traditional procurement methods include all of the following except:
   A) increasing the productivity of purchasing agents
   B) streamlining invoice reconciliation and dispute resolution
   C) increasing the skill requirements and training needs of purchasing agents
   D) lowering purchase prices through product standardization, reverse auctions, volume discounts, and consolidation of purchases

12) One of the major problems facing Cisco Systems and other direct sellers is:
   A) how to advertise in traditional channels.
   B) how to find suppliers.
   C) how to manage the supply chain.
   D) how to find buyers.

13) The aggregation of suppliers' catalogs on the buyer's server to make it easier to centralize and control all procurement is called a(n):
   A) buy-side e-marketplace.
   B) bartering exchange.
   C) internal procurement marketplace.
   D) sell-side e-marketplace.

14) _______ occurs when B2B eliminates a distributor or a retailer.
   A) Just-in-time delivery
   B) Collaboration
   C) Disintermediation
   D) Channel conflict

15) With a bartering exchange, a company submits its surplus to the exchange and receives:
   A) interest payments until it buys something from the exchange.
   B) cash minus a small commission for services.
   C) points of credit, which the company can then use to buy items that it needs.
   D) an equivalent amount of products or services.

16) A(n) _______ is an online third party that brokers B2B transactions between a buyer and seller.
   A) strategic source
   B) vertical marketplace
   C) horizontal marketplace
   D) intermediary

17) By using the Internet and automatic-response software agents, GE reduced the cost of customer service calls from $5.00 per call when done by phone to _______ per electronically answered call.
   A) $2.50
   B) $0.05
   C) $1.00
   D) $0.20
18) Which of the following is not one of the major benefits of B2B for both buyers and sellers?
   A) expedites processing and reduces cycle time
   B) enables customized online catalogs with different prices for different customers
   C) increases opportunities for collaboration
   D) reduces procurement costs

19) All of the following are true of dynamic pricing except:
   A) A deal is struck when there is an exact match between a buyer and a seller on price, volume,
      and other variables, such as location or quality.
   B) E-mails are a prime example of this pricing model.
   C) Anonymity often is a key ingredient.
   D) Buyers and sellers interact with bids and offers in real time.

20) A company’s acquisition Web site that uses e-procurement methods such as reverse auctions,
    negotiations, or group purchasing to overcome the manual searching of e-stores is referred to as
    __________
    A) buy-side e-marketplace
    B) desktop procurement method
    C) aggregated catalog
    D) an intermediary

21) Portsmouth Hospitals NHS Trust, which provided health-care services for almost 1 million people
    in the United Kingdom, cut back-office purchasing costs by:
    A) using collaborative commerce.
    B) using online reverse auctions to purchase from suppliers at the the lowest mutually
       acceptable purchase price.
    C) buying via its intranet.
    D) implementing online catalogs.

22) Purchases of goods and services based on long-term contracts is referred to as __________.
    A) direct materials
    B) spot buying
    C) strategic sourcing
    D) consolidation

23) What are the two types of materials and supplies that are traded in B2B?
    A) digital and physical
    B) direct and indirect
    C) commodities and nonproduction
    D) horizontal and vertical

24) Several benefits of Microsoft’s __________ are that distributors can check inventory, make
    transactions, and look up the status of their orders, significantly reducing the number of phone
    calls, e-mails, and incorrect product shipments.
    A) auto-responders
    B) customized catalogs
    C) extranet-based order-entry tools
    D) electronic data interchanges

25) High-quality bicycle manufacturer Gregg’s Cycles does not sell its products online, nor do they
    allow their bicycles to be sold online by others. By not selling online, Gregg’s Cycles avoids
    __________ with its dealers and the independent bike shops that sell its bikes.
    A) channel conflict
    B) pricing conflict
    C) multichannel distribution
    D) disintermediation
26) Key business drivers for B2B are all of the following except:
   A) numerous private and public B2B e-marketplaces
   B) the availability of a secure broadband Internet platform
   C) the need for collaborations between suppliers and buyers
   D) the willingness of companies to incur higher costs to improve collaboration

27) B2B transactions that involve communication, design, planning, information sharing, and activities beyond financial transactions among business partners is referred to as:
   A) exchanges.
   B) public marketplaces.
   C) collaborative commerce.
   D) trading communities.

28) The purchase of goods and services as they are needed, usually at prevailing market prices, is referred to as ________.
   A) consolidation
   B) direct materials
   C) spot buying
   D) strategic sourcing

29) An example of a successful aggregation of suppliers' catalogs is that of ________, which aggregates more than 10,000 items from the catalogs of approved suppliers into an internal electronic catalog.
   A) Google
   B) Priceline.com
   C) Amazon.com
   D) MasterCard International

30) The major B2B service industries include each of the following except:
   A) financial
   B) stock trading
   C) retail
   D) travel

SHORT ANSWER. Write the word or phrase that best completes each statement or answers the question.

31) With a(n) ________, a company submits its surplus to the exchange and receives points of credit, which the company can then use to buy items that it needs.

32) ________ are markets that deal with one industry or industry segment such as steel or chemicals.

33) ________ management refers to the planning, organizing, and coordination of all the management activities pertaining to the purchasing of goods and services needed to accomplish the mission of an enterprise.

34) B2B portals that focus on a single industry or industry segment are referred to as ________.

35) A subset of third-party exchanges is a(n) ________, an exchange formed and operated by a group of major companies in one industry.

36) The electronic acquisition of goods and services for organizations is ________.

37) A(n) ________ is a tendering (bidding) system in which suppliers are invited to bid on the fulfillment of an order and the lowest bid wins.

38) Transaction fees and membership fees are two examples of ________ for exchanges.

39) ________ refers to a rapid movement of prices over time and possibly across customers.
40) MRO types of materials, such as office supplies, are referred to as _______ materials because they are used in activities that support production.

41) The invitation to participate in reverse auctions is a form or document called a(n) _______.

42) _______ is the direct purchasing from internal marketplaces without the approval of supervisors and without the intervention of a procurement department.

43) B2B e-commerce can be conducted either directly between a customer and a manufacturer or indirectly by a third party through an online _______.

44) The processing of existing date to identify useful information, such as trends and other relationships in the data, is referred to as _______.

45) In a(n) _______ e-marketplace, one company sells to many business buyers from e-catalogs or auctions, usually over an extranet.

46) Of the _______ frequented by business and EC professionals, LinkedIn was the most well known.

47) According to the model of organizational buyer behavior, age, gender, education, and lifestyle are types of _______ influences.

48) The strategy of providing such comprehensive, quality e-service for business partners is sometimes called _______.

49) _______ refers to the unplanned purchases of items needed quickly, often at non-negotiated higher prices.

50) According to the model of organizational buyer behavior, authority, status, and persuasiveness are types of _______ influences.

51) _______ are markets that concentrate on a service, product, or materials that are used in various types of industries such as office supplies or PCs.

52) _______ are public e-marketplaces that are open to all interested sellers and buyers.

53) _______ is the purchase of goods and services as they are needed, usually at prevailing market prices.

54) A(n) _______ e-marketplace is a B2B Web site that uses reverse auctions or other e-procurement methods.

55) With _______, orders from several buyers are combined into volume purchases so that better prices can be negotiated.