Grade 13 A/L ICT · Lesson 12

12.2 E-Commerce and E-Business

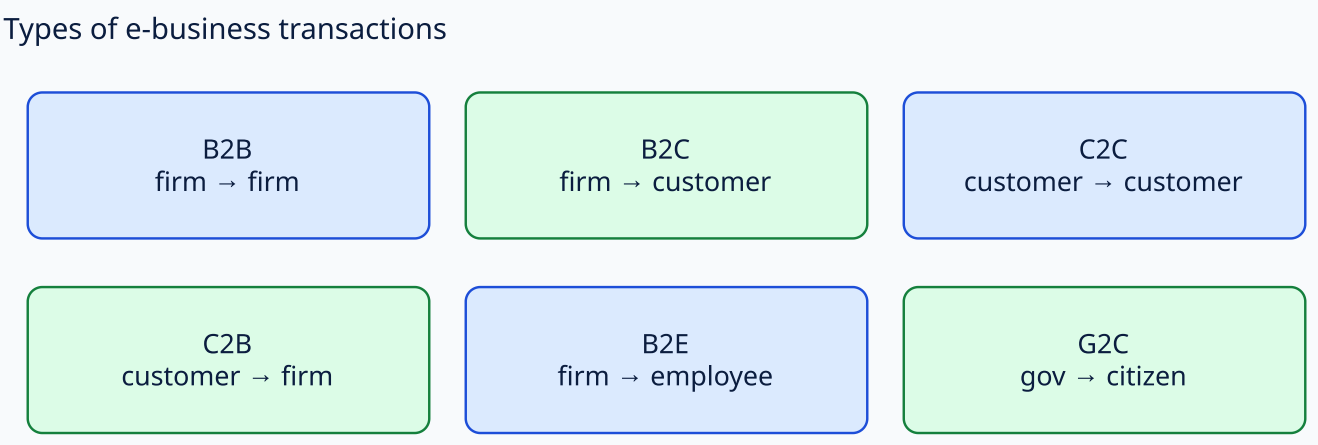
Syllabus 12.2. E-commerce focuses on buying and selling online; **e-business** is wider – it covers all electronic processes that support a firm (marketing, SCM, customer service, internal systems). Transaction types include **B2B, B2C, C2C, C2B, B2E and G2C**. E-business models include **virtual storefronts**, **information brokers**, **online marketplaces**, **content providers**, **online service providers**, **portals** and **virtual communities**. Each model has clear **advantages** and **disadvantages**.

1. E-commerce versus e-business

- **E-commerce** – electronic buying and selling of goods and services (orders, payments, delivery tracking).
- **E-business** – broader use of ICT across the firm: commerce plus marketing, SCM, HR, finance and collaboration.
- Scope: every e-commerce site is part of e-business, but e-business can exist even when the firm does not sell online (e.g. internal portals).

> 💡 E-commerce is the shop window; e-business is the whole electronic factory behind it.

2. Types of e-business transactions



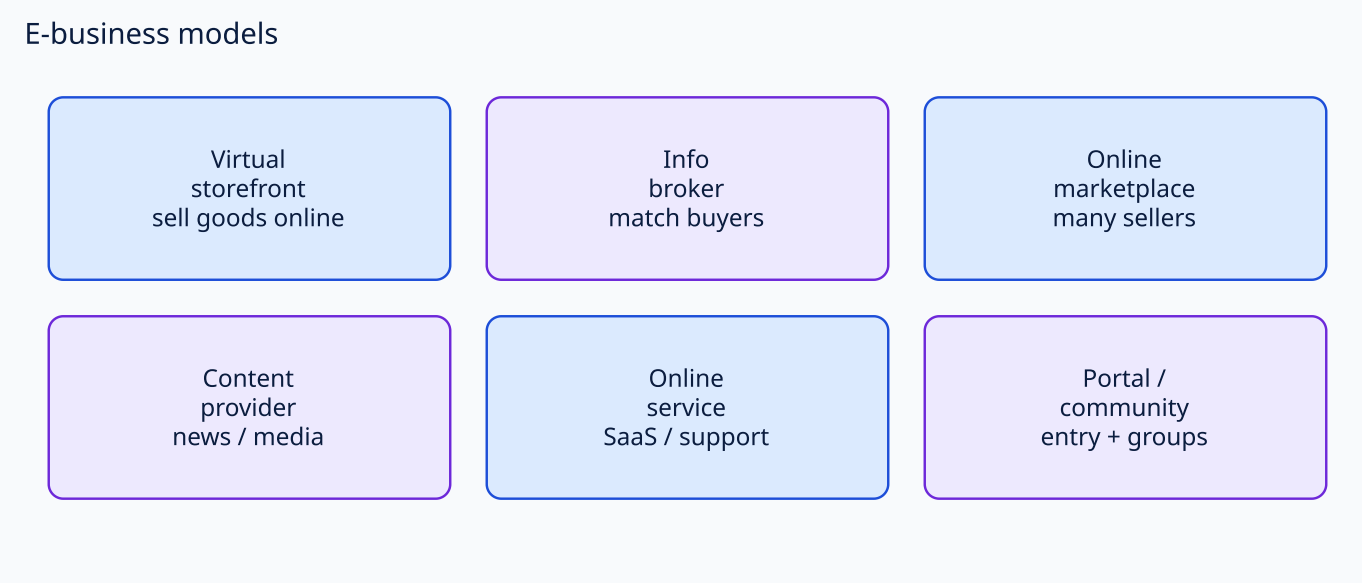
B2B, B2C, C2C, C2B, B2E, G2C

- **B2B** – business to business (supplier portals, wholesale).
- **B2C** – business to consumer (online retail shops).
- **C2C** – consumer to consumer (auction or classified sites).
- **C2B** – consumer to business (freelancer platforms; customers name a price).
- **B2E** – business to employee (intranet, self-service HR).

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- **G2C** – government to citizen (tax filing, e-services).

3. E-business models



Seven common e-business models

- **Virtual storefront** – online shop that displays and sells a firm's products.
- **Information broker** – gathers and sells or matches information (price comparison, directories).
- **Online marketplace** – platform hosting many independent sellers (commission model).
- **Content provider** – sells or funds news, music, video or learning content.
- **Online service provider** – delivers a service over the network (support, SaaS tools).
- **Portal** – entry site that organises links, search and news for many users.
- **Virtual community** – members share interests, posts and sometimes buy/sell among themselves.

> 🧱 **Worked example: An online marketplace lists an item at Rs. 4500 and takes 8% commission. What does the seller receive?**
> Commission = **Rs. 360**. Seller = 4500 − 360 = **Rs. 4140**.

🐍 Marketplace commission

```
price = 4500
rate = 0.08
commission = round(price * rate)
seller = price - commission
print("Commission Rs.", commission)
print("Seller receives Rs.", seller)
```

▶ Output

```
Commission Rs. 360
Seller receives Rs. 4140
```

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4. Advantages and disadvantages of e-business

- **Advantages** – 24/7 reach; lower shop rent; global customers; rich product info; easier price comparison; data for decisions.
- **Disadvantages** – delivery delays; need for trust and secure pay; competition is one click away; some customers prefer to touch goods; ICT and cyber risks.

Model	Main idea
Virtual storefront	Own online shop
Online marketplace	Many sellers + commission
Portal	Entry and organisation of links
Content provider	News / media / learning

🚀 **Beyond the syllabus (2026 update)** *Not required for the exam – read for interest.* In 2026 marketplace AI ranks products by delivery speed and return risk, and many B2B portals add live inventory APIs. Useful background; the exam asks only for the syllabus models and transaction types.

Key Words

E-commerce – Buying and selling online.

E-business – Wider electronic processes across the organisation.

B2B – Business-to-business transactions.

B2C – Business-to-consumer online retail.

C2C – Consumer-to-consumer trading.

C2B – Consumer offers services or prices to businesses.

B2E – Business-to-employee electronic services.

G2C – Government-to-citizen electronic services.

Virtual storefront – A firm's own online shop.

Online marketplace – Platform for many sellers, often with commission.

Portal – Entry site organising search, news and links.

Content provider – Business that supplies digital content.

Information broker – Matches or sells information between parties.

Virtual community – Online group sharing interests and interaction.

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Sample Q&A

1. Distinguish e-commerce and e-business.

> **Answer:** E-commerce = online buying/selling; e-business = wider ICT processes.

2. Give one example each of B2C and G2C.

> **Answer:** B2C: online fashion shop. G2C: online tax filing.

3. What is C2C?

> **Answer:** Consumers trade with each other on a platform.

4. Name four e-business models.

> **Answer:** Any four of: storefront, broker, marketplace, content, service, portal, community.

5. One advantage and one disadvantage of e-business?

> **Answer:** Advantage: 24/7 global reach. Disadvantage: trust/security or delivery issues.

6. How does an online marketplace usually earn money?

> **Answer:** Often by taking a commission or listing fee on each sale.

MCQ

1. E-commerce mainly means

A. buying and selling online
B. only offline shops
C. only radio ads
D. only writing letters
E. only printing invoices

2. E-business is best described as

A. one fax machine
B. wider electronic processes across the firm
C. paper files only
D. blackboard notices
E. cash only

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3. An online clothing shop selling to shoppers is

A. B2C
B. B2B only
C. G2C only
D. B2E only
E. C2B only

4. Citizens filing tax online is mainly

A. B2E
B. B2B
C. G2C
D. C2B
E. C2C

5. Consumers selling to each other on a classified site is

A. pure brick
B. C2C
C. B2B
D. B2E
E. G2C

6. A firm’s intranet leave system for staff is

A. C2C
B. B2C retail
C. G2C
D. B2E
E. pure click only

7. A virtual storefront is

A. a firm’s own online shop
B. a government tax form
C. a paper catalogue only
D. a CRT monitor
E. a floppy disk

8. An online marketplace with many sellers often uses

A. steam power
B. vinyl ads
C. punched cards
D. CRT printing
E. a commission model

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9. Seller receives Rs. 4140 when price is Rs. 4500 at 8% commission

A. Rs. 4140
B. Rs. 1000
C. Rs. 5000
D. Rs. 360
E. Rs. 4500

10. A portal mainly

A. prints newspapers only
B. organises search, news and links as an entry point
C. mines coal
D. builds cars
E. sells only one SKU forever

11. Which term means: “Buying and selling online”?

A. B2B
B. C2B
C. G2C
D. E-commerce
E. Portal

12. Which term means: “Wider electronic processes across the organisation”?

A. B2C
B. Content provider
C. Virtual storefront
D. B2E
E. E-business

13. Which term means: “Business-to-business transactions”?

A. G2C
B. C2C
C. Information broker
D. Online marketplace
E. B2B

14. Which term means: “Business-to-consumer online retail”?

A. Virtual storefront
B. B2C
C. C2B
D. Virtual community
E. Portal

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15. Which term means: “Consumer-to-consumer trading”?

A. E-commerce
B. Content provider
C. Online marketplace
D. C2C
E. B2E

16. Which term means: “Consumer offers services or prices to businesses”?

A. Portal
B. E-business
C. C2B
D. Information broker
E. G2C

17. Which term means: “Business-to-employee electronic services”?

A. Virtual community
B. Content provider
C. B2B
D. B2E
E. Virtual storefront

18. Which term means: “Government-to-citizen electronic services”?

A. E-commerce
B. Information broker
C. G2C
D. Online marketplace
E. B2C

19. Which term means: “A firm’s own online shop”?

A. E-business
B. C2C
C. Virtual storefront
D. Virtual community
E. Portal

20. Which term means: “Platform for many sellers, often with commission”?

A. B2B
B. E-commerce
C. C2B
D. Content provider
E. Online marketplace

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Structured Questions

1. Distinguish the scope of e-commerce and e-business with examples. *(3 marks)*

> Definitions; e-commerce subset; e-business without online sales possible.

2. List and briefly describe B2B, B2C, C2C, C2B, B2E and G2C. *(2 marks)*

> One clear sentence each.

3. Identify four e-business models and state what each does. *(2 marks)*

> Four models with roles.

4. Discuss advantages and disadvantages of e-business. *(2 marks)*

> At least three advantages and three disadvantages.

5. Calculate marketplace commission and seller amount for Rs. 4500 at 8%. *(2 marks)*

> Commission Rs. 360; seller Rs. 4140.

Summary

- E-commerce = online trade; e-business = wider ICT use.
- Transaction types: B2B, B2C, C2C, C2B, B2E, G2C.
- Models: storefront, broker, marketplace, content, service, portal, community.
- Advantages include reach and cost; disadvantages include trust and delivery.
- Marketplaces often earn a commission on each sale.

MCQ answer key – 12.2

1. **A** – Online trade.
2. **B** – Broader than commerce.
3. **A** – Business → consumer.
4. **C** – Government → citizen.
5. **B** – C2C.
6. **D** – Business → employee.
7. **A** – Own shop.
8. **E** – Commission.
9. **A** – 4500−360.
10. **B** – Entry site.
11. **D** – E-commerce – Buying and selling online.
12. **E** – E-business – Wider electronic processes across the organisation.
13. **E** – B2B – Business-to-business transactions.
14. **B** – B2C – Business-to-consumer online retail.
15. **D** – C2C – Consumer-to-consumer trading.

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16. **C** – C2B – Consumer offers services or prices to businesses.
17. **D** – B2E – Business-to-employee electronic services.
18. **C** – G2C – Government-to-citizen electronic services.
19. **C** – Virtual storefront – A firm’s own online shop.
20. **E** – Online marketplace – Platform for many sellers, often with commission.

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