

**NEW ZEALAND INSTITUTES OF TECHNOLOGY AND POLYTECHNIC  
QUALIFICATIONS IN INFORMATION & COMMUNICATIONS TECHNOLOGY**

**PRESCRIPTION: EC700 E-COMMERCE BUSINESS**

AIM OF MODULE:	The student will gain an understanding of E-Commerce principles and the impact E-Commerce has on the way in which businesses operate.
CREDITS:	7
KNOWLEDGE ASSUMED FROM:	BA500 with ET600 and SS600 recommended
STUDENT LEARNING HOURS:	70
CONTENT REVISED:	2000 (new)
PRESCRIPTION EXPIRY DATE:	Nov 2011

**Level and Assessment Schedule**

TOPICS	Highest Skill Level				Suggested Assessment Percentage
	R	C	A	P	
1. Principles and Applications of Electronic Commerce			*		35
2. Legal Issues			*		20
3. Handling Money and Taxation		*			15
4. Security			*		15
5. Business to Business and Business to Consumer Markets			*		15
					100

## LEARNING OUTCOMES

The student will:

- |   |   |                                                                                                                                                                  |
|---|---|------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| A | 1 | Explain the general principles of E-Commerce and how E-Commerce differs from other forms of commerce, and analyse how E-Commerce impacts on business strategies. |
| A | 2 | Explain legal issues involved, and analyse case studies as they relate to legal issues.                                                                          |
| C | 3 | Explain how money and taxation is handled on the Internet.                                                                                                       |
| A | 4 | Explain the various Internet security systems, and analyse case studies as they relate to security.                                                              |
| A | 5 | Explain the difference between Business to Business and Business to Consumer markets, and analyse the evolution of business on the internet.                     |

## CONTENT

### 1 PRINCIPLES AND APPLICATIONS OF ELECTRONIC COMMERCE

- Describe examples of, and analyse case studies relating to, the impact of E-Commerce on marketing, sales, procurement, delivery and customer service.
- Describe how E-Commerce impacts on Business Strategies, including value chain analysis, models for competitive advantage (including the applicability of models such as Porter's Five Forces Model).
- Analyse case studies relating to how E-Commerce has been used as part of a business strategy in an attempt to gain competitive advantage.

### 2 LEGAL ISSUES

- Describe the relationship between E-Commerce and various aspects of NZ Law including:
  - Law of Contract (offer and acceptance)
  - Consumer Protection Legislation (Fair Trading Act, Sale of Goods Act, Consumer Guarantees Act, Privacy Act)
- Analyse case studies with respect to contract law and consumer protection legislation.

### **3 HANDLING MONEY AND TAXATION**

- Describe the requirements of Payment Systems, Types of Electronic Payments (credit cards, electronic cheques, and digital cash), EDI (electronic data interchange).
- Describe the income tax and GST issues surrounding E-Commerce in terms of the country of location for the product and for the purchaser and vendor.

### **4 SECURITY**

- Describe the benefits of cryptography, process of encryption and digital certificates.
- Demonstrate a general understanding of Internet Security Systems (for example: S-HTTP, SSL, S/MIME, S/WAN, SET), Firewalls, and Security Standards (for example Australian Standard AS4444).
- Analyse E-Commerce case studies as they relate to security.

### **5 BUSINESS TO BUSINESS AND BUSINESS TO CONSUMER MARKETS**

- Describe the Business to Business (B2B) and Business to Consumer (B2C), with a focus on their differences including:
  - Demographics
  - Loyalty
  - Acceptance
- Describe the evolution of “business on the internet” through the analysis of case studies.

## NOTES TO TUTORS

- It is intended that the assessment for this module include case studies that involve the evaluation of how businesses have used E-Commerce, and how E-Commerce has changed the way that business is done.

## REFERENCES

- Electronic Commerce in Plain English  
McIlroy, Don J. Butterworths, 1999  
ISBN 0-4087-1564-2
- Understanding Electronic Commerce  
Kosiur, David. Microsoft Press, 1997  
ISBN 0-1-57231-560-1
- E-Commerce Business on the Internet  
McLaren, Constance H, & McLaren, Bruce J,  
South-Western Educational Publishing, 2000  
ISBN 0-538-68918-8
- Commercial Law Article in the June 2000 issue  
NZ Chartered Accountants Journal