Student name:	
Student number:	

EXAM EBUSINES INNOVATION Dec 19, 2006, 12.00-14.45

Instructions (please read carefully):

- *This is a closed book exam – it is not allowed to consult any material – physical or electronic. Be sure to switch mobile phones off and store them in a closed bag.*
- ***Use this exam to write the answers on questions. Use the available boxes after each question for your answer. Do not write outside the boxes. We will only correct text written* inside *the boxes.***
- ***Be sure to indicate name and student number on* each *sheet of paper.***
- *Concise yet complete answers are better than long-winded answers.*
- *You may answer in English on in Dutch.*
- *Grade for this exam is Round (Sumof Points / 10).*
- *Grade for the eBusiness Innovation course is 0.5* this exam + 0.5 * group assignments. You will be reported the* final *grade for the eBusiness Innovation course. We will report the grade for the group assignment to the communicator of each group by email.*

Success!

Group assignment

Before starting with the exam, please indicate below whether you did your group assignment this year, a year before, or you still have to do your group assignment.

Yes/No	I did my group assignment this academic year (2006/2007)
	I did my group assignment in 2005 or 2004 (please indicate the year)
Yes/No	I still have to do my group assignment

Question 1 (20 points)

a) Which characteristics of an electronic hub are crucial for optimizing procurement for *prognosed* orders of *production goods* in the automotive industry? (for a list of characteristics to choose from see below.) Explain each choice briefly. (10 points)

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b) Which characteristics of an electronic hub are crucial for optimizing procurement for office supplies (i.e. non stock indirect goods)? (for a list of characteristics to choose from see below.) Explain each choice briefly. (10 points)

e-Hub functionalities to select from are:

1 Public (open for anyone) or
2 Private (closed, pre-negotiated contracts)

3 Vertical (industry specific) or
4 Horizontal (industry independent)

5 Auction (price to bid) or
6 Marketplace (price set no RFQ)

7 Anonymous participation or
8 Known participation

9 Integration for automated payment or
10 Integration for automated ordering or
11 Integration for automated ordering and payment

Question 2 (30 points)

a) According to David Ticoll, Porter claims in his article (HBR March/June articles & Syllabus Electronic Commerce) that companies should build a vertically integrated firm rather than a partnership. Explain the difference between a *partnership* and a *vertically integrated* firm. (10 points)

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b) David Ticoll argues that transaction costs are important to understand partnerships on the Internet. Explain what is meant by 'transaction costs'. (10 points)

c) Explain, using the idea of transaction costs, that, according to David Ticoll, sometimes partnerships are preferred above a vertically integrated firm, as a result of the widespread use of the Internet and its applications. (10 points)

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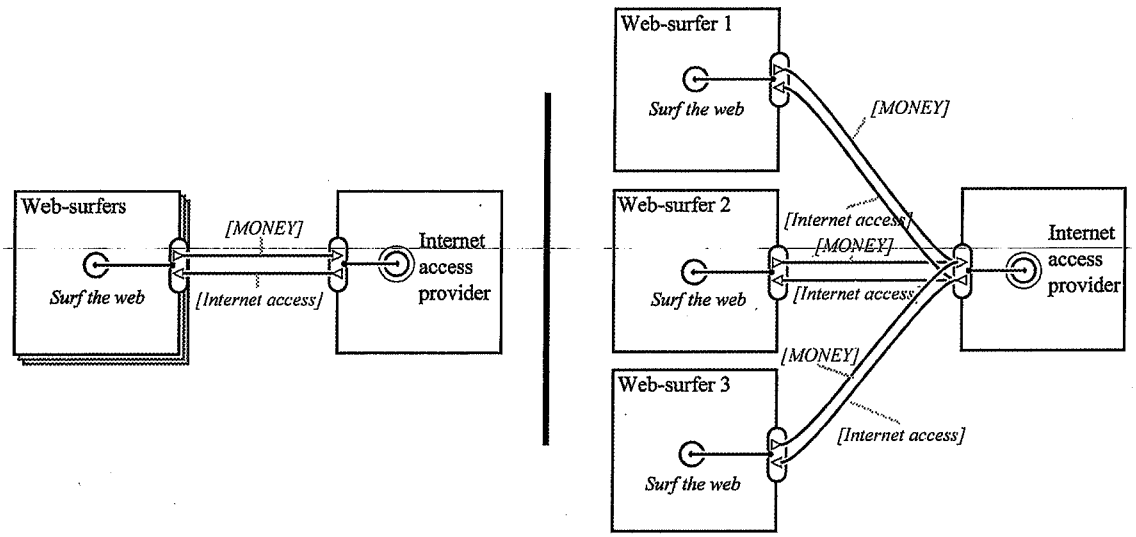
Question 3 (30 points)

The diagram below shows two alternatives for modeling that three web-surfers are requiring Internet access from a provider, and give money in return.



a) Are the two alternatives (a) and (b) equal models in the sense that they express the same phenomena? If not, clearly list the differences. (10 points)

The figure below shows two alternatives (a) and (b) for modeling the situation that a customer buys a computer from a computer manufacturer, which is delivered by logistic provider to your premises.

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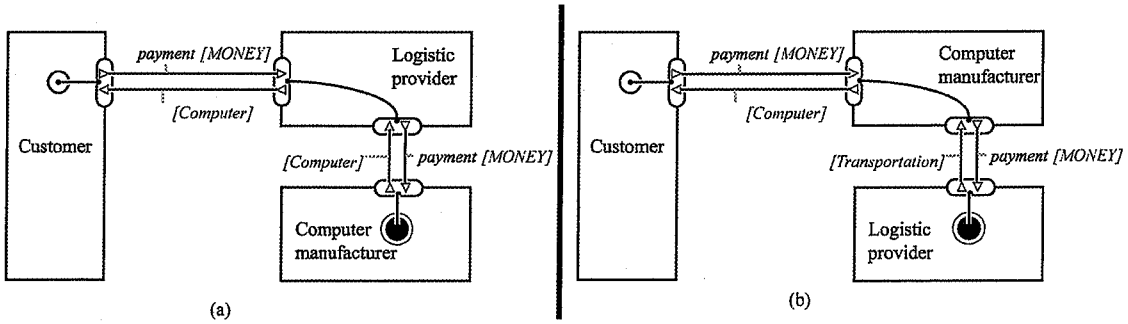
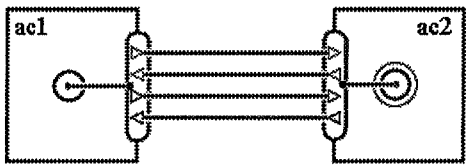
b) Which model seems to describe this situation in an appropriate way? Motivate your answer. (10 points)



In e^3*value*, the modeling construct *value transaction* is available. A value transaction models a set of value transfers that all have to occur, or not at all. Moreover, a value transaction should be consistent with the stated value interfaces. A value interface models that all the connected value transfers have to occur or none at all. Consider for example the figure below. If the need of ac1 occurs, all four transfers connected to ac1's interface have to occur or none at all. The same holds for the transfers as connected to the interface of ac2. The value transaction contains all four transfers.



Actually, one can argue that the example does not really require statement of the transaction, because it can be already seen from the value interfaces that all four transfers have to occur or none at all. However, there are situations that require the *explicit modeling* of a value transaction. In such a case, the value transfers that have to occur can not be directly be seen from the value interfaces and the way they connect value transfers.

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c) Proof that the 'value transaction' is a *required* modeling construct in e^3*value* by giving an example, that illustrates that the value transfers that are supposed to happen cannot be *directly* derived from the value interfaces. (10 points)

Question 4 (20 points)

a) Tapscott uses two aspects to define five types of B-Webs: *Economic control* and *Value integration*. Shortly explain these concepts (10 points)

- *Economic control*

- *Value integration*

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b) Tapscott distinguishes 5 types of *B-webs*: *Agora, Aggregation, Value chain, Alliance, Distributive network.* Explain these webs in terms of *Economic control* and *Value integration*, and give for each web an example. (10 points).

- *Agora*

- *Aggregation*

- *Value chain*

- *Alliance*

- *Distributive network*