

## Certificate in eCommerce Level 2



International  
Qualifications from EDI

### Syllabus

Effective from October 2001



## **INTRODUCTION**

Education Development International (EDI) is a leading international awarding body that was formed through the merger of the London Chamber of Commerce and Industry Examinations Board (LCCIEB) and a leading online assessment provider GOAL. EDI now delivers LCCI International Qualifications (LCCI IQ) through a network of over 4000 registered centres in more than 100 countries worldwide. Our range of business-related qualifications are trusted and valued by employers worldwide and recognised by universities and professional bodies.

### **What are Extended Syllabuses?**

Extended Syllabuses specify in detail the learning and assessment requirements of LCCI IQ awards.

Each one, produced by the subject Chief Examiner, will state in detail the following:

- Aims and assessment objectives of the award
- Intended target audience and possible candidate progression for holders of the award
- Level of English required
- Syllabus topics and syllabus coverage in examinations
- Examination format
- Guided learning hours
- Candidate answer guidance
- Pass mark information and mark allocation
- Recommended reading list and support material
- Detailed listing of syllabus topics and syllabus elements

### **Who Are They For and How Can They Be Of Use?**

They are designed for:

- Teachers who will find them invaluable when designing courses and planning lessons.
- Candidates who will find them essential because they can be used as checklists when preparing for examinations. Candidates will also be able to refer to Extended Syllabuses when planning revision programmes.

### **Level 2 Certificate in eCommerce**

#### **Aims**

The aims of this syllabus are to enable candidates to develop:

- A broad understanding of the potential of eCommerce
- The ability to apply this understanding to real-life websites
- The ability to illustrate their understanding through the use of real-life or created examples of eCommerce

## **Target Audience and Candidate Progression**

This qualification is intended for those who wish to develop an understanding of the role of eCommerce in the modern business environment. Candidates should already have acquired an understanding of the Internet and website design to a level equivalent to LCCI IQ Certificate in Using the Internet Level 1 and should also be familiar with:

- Using personal computers, operating systems, desktop applications and web browsers
- New developments in technology that affect the business world

## **Level of English Required**

Candidates should have a standard of business English equivalent to LCCI IQ English for Business Level 2. However, their knowledge of specialist Information Technology terminology should be equivalent to Level 3 in terms of vocabulary.

## **Structure of the Qualification**

The level 2 Certificate in eCommerce is a single unit qualification that consists of the range of topics detailed below

### **Syllabus Topics**

1. Background to eCommerce
2. Definitions and Development of the Internet
3. eCommerce Business Models
4. Market Dynamics
5. eCommerce Finance
6. eCommerce Security
7. eCommerce and the Law

## **Guided Learning Hours**

EDI recommends that 60 – 90 Guided Learning Hours (GLHs) is a suitable course duration for an 'average' candidate at this level. This figure includes direct contact hours as well as other time when candidates' work is being supervised by teachers. Ultimately, however, it is up to training centres to determine the appropriate course duration based on their candidates' ability and level of existing knowledge. EDI experience indicates that the number of GLHs can vary significantly from one training centre to another

## **ASSESSMENT**

### **Assessment Objectives**

The examination will assess the candidate's ability to:

- Demonstrate basic knowledge and understanding of the facts, terms, principles, definitions and concepts of eCommerce
- Apply the above knowledge and understanding to real-life Internet scenarios
- Illustrate their understanding with real-life and/or created Internet examples

### **Coverage of Syllabus Topics in Examinations**

- The 10 questions in Section A are taken from across the entire syllabus
- There are 6 questions in section B, they are taken from across the entire syllabus. Candidates are required to answer 3 questions.

### **Examination Format**

The format of the examination is as follows:

- Candidates will be assessed via a 2 hour 30 minute examination paper in 2 parts
- Section A requires candidates to give short answer responses. Section A is compulsory and consists of 10 questions with a total mark value of 25 marks
- Section B requires candidates to compose 3 more detailed answers from a choice of 6 questions. Each answer carries a mark value of 25 marks

### **Answer Formats**

Unless otherwise requested, candidates will be asked to provide answers in one or more of the following formats:

- Short answer responses
- More detailed answers

Appropriate technical language should be used with relevant diagrams properly labelled if appropriate.

Section A requires candidates to give short answer responses only. Section B requires more detailed answers, some in a report style. If candidates choose a report style question, they will need to structure their report clearly using concise essay style or bullet points. Marks will only be awarded for the content of the report, not the style in which it is written.

Incorrect English spelling, grammar or vocabulary will not be penalised except where this could cause misunderstanding.

Candidates are allowed to take one dictionary into this examination which may be either English or foreign language/English; EDI cannot undertake to advise on which dictionaries to choose and candidates make the choice entirely at their own risk. Poor quality dictionaries may be misleading and candidates will lose time looking up words if they frequently have recourse to them.

### **Mark Allocation**

A positive marking approach is used (i.e. marks can be gained but not deducted).

### **Certification**

Successful candidates will be awarded the Level 2 Certificate in eCommerce based on the achievement of the percentages and grades below:

Pass	50%
Merit	60%
Distinction	75%

To achieve a pass, candidates must score 50% overall

### **Recommended Reading List and Support Material**

#### **Reading List**

<b>Title</b>	<b>Authors(s)</b>	<b>Publisher</b>	<b>ISBN Code</b>
The eCommerce Book: Building the e Empire	Korpa & Ellis	Academic Press	0124211607

#### **Support Material**

Model Answers and past question papers can be purchased from the EDI Customer Service Team.

#### **How to Offer This Qualification**

To offer this qualification you must be an LCCI IQ registered examinations centre. To gain centre approval please contact Customer Support on 08700 818008 between the hours of 0830 and 1700 (GMT) Monday to Friday or by email on [centresupport@ediplc.com](mailto:centresupport@ediplc.com)

Alternatively you may contact your Regional LCCI Office or Co-ordinating Authority

## Syllabus Topic

## Items Covered

### 1 Background to eCommerce

Candidates must be able to:

#### 1.1 Definition of eCommerce

1.1.1 Define eCommerce

1.1.2 Explain the meaning of EDI (Electronic Data Interchange)

1.1.3 Explain the historical development of EDI

1.1.4 Explain the meaning of B2B (Business to Business) eCommerce

1.1.5 Define the split of on-line transactions between B2B (Business to Business) and B2C (Business to Consumers)

#### 1.2 Website Design in eCommerce

1.2.1 Explain the need for ease of navigation for a website

1.2.2 Describe the key usability requirements for an effective website

#### 1.3 Components of eCommerce

1.3.1 Identify the technical networked elements of eCommerce (web servers and transmission lines)

1.3.2 Identify the institutional elements of eCommerce (government, manufacturers, suppliers and consumers)

1.3.3 Describe the process elements of eCommerce (fulfilment, marketing, financial payment, purchase and sales order processing)

#### 1.4 Benefits of eCommerce

1.4.1 Explain how eCommerce mirrors and enhances the advantages of traditional commerce

1.4.2 Describe how introducing digital information creates new opportunities for commercial activity

1.4.3 Describe in terms of increased geographical reach, increased hours of trading and reduced costs the financial benefits of eCommerce

#### 1.5 Business Drivers

1.5.1 Describe 2 adoption strategies for businesses implementing an eCommerce strategy

## **1.6 Metcalfe's Law**

1.6.1 Define Metcalfe's Law

1.6.2 Explain the relevance of Metcalfe's Law in relation to the Internet

## **2 Definitions and Development of the Internet**

Candidates must be able to

### **2.1 The Internet**

2.1.1 Define the Internet

2.1.2 Describe the history of the Internet detailing the movement from academia to commerce

2.1.3 Explain why the 1990s led to an exponential growth in the Internet

### **2.2 Domain Names**

2.2.1 Define the meaning of domain names

2.2.2 Differentiate between domain names and IP addresses

2.2.3 Explain the relationship between domain names and IP addresses

### **2.3 Internet Ownership**

2.3.1 Identify which elements of the Internet can be owned

2.3.2 Define the purpose of ISOC (Internet Society), IETF (Internet Engineering Taskforce) and W3C (World Wide Web Consortium)

### **2.4 Growth Trends**

2.4.1 Describe the growth of the Internet in terms of Internet hosts

2.4.2 Describe the growth of the Internet in terms of domain names

2.4.3 Describe the growth of the Internet in terms of Internet users and usage

## **3 eCommerce Business Models**

Candidates must be able to:

### **3.1 Adoption Cycle**

3.1.1 Explain how Internet technologies are integrated into a given organisation's computer network

3.1.2 Explain why an external website is developed before an internal intranet



### **3.2 Informational Sites**

3.2.1 Define, using illustrative examples, an informational website (i.e. a level 1 site where all users can only access the same information)

3.2.2 Assess the strengths and weaknesses of informational sites

### **3.3 Transactional Sites**

3.3.1 Define, using illustrative examples, a transactional website (i.e. a level 2 basic eCommerce site where users can securely buy and sell on-line)

3.3.2 Assess the strengths and weaknesses of transactional sites

### **3.4 Interactive Sites**

3.4.1 Define, using illustrative examples, an interactive website (i.e. a level 2 site where users can create a personalised page for any information or transactions they wish to access or carry out)

3.4.2 Assess the strengths and weaknesses of interactive sites

3.4.3 Choose the appropriate website for a given commercial scenario

### **3.5 Long Term Benefits**

3.5.1 Explain how having an eCommerce presence can protect a business

3.5.2 Explain how an eCommerce presence can differentiate an organisation

3.5.3 Explain, using illustrative examples, how an eCommerce presence can lead to longer term growth

## **4 Market Dynamics**

Candidates must be able to:

### **4.1 Commoditisation**

4.1.1 Explain the reasons why products and services become commodities

4.1.2 Explain what can be done to avoid a given company's products or services becoming commodities

### **4.2 Mass Customisation**

4.2.1 Identify organisations that offer customers the ability to customise products and services on-line

### **4.3 Disintermediation**

4.3.1 Explain the meaning of disintermediation with examples

4.3.2 Describe the effect of disintermediation on a given industry

### **4.4 Reintermediation**

4.4.1 Explain the meaning of reintermediation with examples

4.4.2 Describe the effect of reintermediation on a given industry

4.4.3 State examples of websites that have been successful in acting as Internet 'middlemen'

### **4.5 Customer Loyalty**

4.5.1 Explain, using illustrative examples, how on-line customer loyalty can be achieved

4.5.2 Explain how a customer community can be built

4.5.3 Explain how feedback from customers can be used to produce business benefits

### **4.6 Hosting Solutions**

4.6.1 Explain, using illustrative examples, what is meant by an electronic shopping mall

4.6.2 Explain, using illustrative examples, what is meant by a portal site

4.6.3 Explain how portal sites generate revenue

4.6.4 Define the term extranet

4.6.5 Explain how businesses can utilise an extranet

## **5 eCommerce Finance**

Candidates must be able to:

### **5.1 Transactions**

5.1.1 Explain what conditions need to be satisfied before consumers will conduct financial transactions

### **5.2 Payment Systems**

5.2.1 State the 4 requirements of any payment system (confidentiality, authentication, non-repudiation and integrity)

## **5.3 Electronic Payments**

- 5.3.1 Explain the meaning of eCash
- 5.3.2 Explain the meaning of eCheques
- 5.3.3 Explain how secure credit card transactions are conducted over the Internet
- 5.3.4 Explain how a TTP (Trusted Third Party) can assist with financial transactions

## **5.4 Taxation**

- 5.4.1 Describe the UK government's view of taxation with regard to eCommerce
- 5.4.2 Describe the OECD view of taxation with regard to eCommerce

## **6 eCommerce Security**

Candidates must be able to:

### **6.1 Security Requirements**

- 6.1.1 Describe, using examples, eCommerce security threats and the solutions to minimise these threats (e.g. Data intercepted, read or modified illicitly, user misrepresents their identity to commit fraud and unauthorised access from one network to another)

### **6.2 Encryption**

- 6.2.1 Explain the meaning and purpose of encryption
- 6.2.2 Explain the relationship between length of encryption keys and time taken to break them
- 6.2.3 Differentiate between symmetric and asymmetric encryption
- 6.2.4 Explain PKI (Public Key Infrastructure)

### **6.3 Digital Certificates**

- 6.3.1 Explain the advantages of digital certificates compared to asymmetric and symmetric encryption

### **6.4 Internet Security**

- 6.4.1 Explain the various solutions to secure web based applications
- 6.4.2 Explain the various solutions to secure email applications.
- 6.4.3 Explain how Firewalls can be used to protect private networks

## **7 eCommerce and the Law**

Candidates must be able to:

### **7.1 Law of Contract**

- 7.1.1 Identify the 3 elements of the law of contract (offer, acceptance and consideration)
- 7.1.2 Explain the legal term 'offer'
- 7.1.3 Explain the legal term 'acceptance'
- 7.1.4 Explain the legal term 'consideration'
- 7.1.5 Explain the applicability of the law of contract to eCommerce

### **7.2 Pertinent Legislation**

- 7.2.1 Explain the applicability of the Supply of Goods and Services Act 1982 to eCommerce
- 7.2.2 Explain the applicability of the Consumer Protection Act 1987 to eCommerce
- 7.2.3 Explain the applicability of the Unfair Contract Terms Acts 1977 to eCommerce

### **7.3 Domain Names**

- 7.3.1 Examine the issue of 'Domain Wars' using relevant case studies
- 7.3.2 Explain what is meant by cyber-squatting
- 7.3.3 Describe the value of domain names using relevant case studies

### **7.4 Copyright**

- 7.4.1 Explain the term copyright
- 7.4.2 Describe how copyright affects websites
- 7.4.3 Explain how licensing agreements can be used to protect copyright

## **7.5 Email Integrity**

- 7.5.1 Explain how improper use of a company's email system can cause legal ramifications
- 7.5.2 Identify the measures that should be taken to protect an organisation from improper use of email
- 7.5.3 Explain how licensing agreements can be used to protect copyright

