

Question Paper Code : 3759

M.B.A. (CBCS) (GE) Examination, 2018

(Semester-II)

E-BUSINESS

[GE-203]

Time : Three Hours]

[Maximum Marks : 70

Note : Answer **five** questions in all. Question **No.1** is **compulsory**. Besides this, **one** question is to be attempted from each unit.

1. Read the attached case and answer questions that follows: [10x3=30]

Adapted from : [https:// economictimes. indiatimes. com/ small-biz/startups/newsbuzz/paytm-mall-raises-rs-2900-crore-from-softbank-alibaba/printarticle/ 63584679. cms](https://economictimes.indiatimes.com/small-biz/startups/newsbuzz/paytm-mall-raises-rs-2900-crore-from-softbank-alibaba/printarticle/63584679.cms)

Online marketplace Paytm Mall has raised close to Rs. 3,000 crore in a financing round led by Japan's SoftBank along with participation from Chinese online commerce giant Alibaba, according to documents filed with the Ministry of Corporate Affairs (MCA). As per calculations,

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this deal values Paytm Mall close to Rs. 12,300 crore or \$1.9 billion, giving it the coveted unicorn status. ET reported last month that the Alibaba backed e-commerce platform is in advanced talks with SoftBank to raise Rs. 3,000 crore at a valuation of around \$2 billion. The company is also in talks to raise an additional Rs. 1,000 crore. The funding is expected to come in four tranches, as per the MCA filings. Currently, Alibaba along with Alipay holds 57% stake in Paytm Mall. However, after the fourth tranche of financing concludes, SoftBank Vision Fund will hold 21% and Alibaba (with Alipay) will hold around 46% stake in the ecommerce company.

"This latest investment led by SoftBank and Alibaba reaffirms the strength of our business model, growth trajectory, execution capability and the potential of India's massive O2O (online-to-offline) model in the retail space," said Amit Sinha, COO, Paytm Mall. "The funds will be deployed to empower the shopkeepers with technology, building superior logistics, strengthening the Paytm Mall brand and bringing an enriching experience to the customers."

"For SoftBank, the investment comes after the Japanese telecom and internet giant put \$1.4 billion in Paytm last

UNIT-IV

8. What are the security and reliability challenges for an e-business set-up ? How should a firm plan risk analysis for its e-business structure ? [10]
9. Discuss the future of e-business. What according to you could be prospective technologies that may change the rules of business in consumer markets ? [10]

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year. The SoftBank Group is excited to continue supporting Paytm as it develops into one of the leading internet ecosystems in the country. Our investment in Paytm Mall is part of that ongoing commitment. We believe Paytm Mall's offline-to-online operating model, combined with the strength of the Paytm ecosystem, is uniquely positioned to enable India's 15 million offline retail shops to participate in India's e-Commerce boom," said a SoftBank spokesperson. SoftBank's new interest in ecommerce space comes after the Japanese multinational conglomerate led a funding round in India's largest ecommerce player Flipkart in 2017. However, SoftBank is expected to dilute its shareholding in Flipkart with talks of Walmart making an investment in the online retailer, making the Paytm Mall investment a way to diversify its bets and compete against Amazon India.

Paytm Mall has been making inroads into the Indian ecommerce market, replacing Snapdeal as the third largest player after Flipkart and Amazon India. The company claims to have exited FY18 at a gross merchandise volume (GMV) run rate of \$ 3 billion and is targeting an ambitious \$ 10 billion run rate by end of this fiscal. According to the MCA filings, Paytm Mall is

expected to close FY18 with a loss of around Rs. 1,013 crore, which shot up from just Rs. 13.6 crore in FY17. Paytm Mall focuses primarily on its online-to offline model which drives almost 60% of its overall sales through its partnership with 75,000 stores. The company plans to triple its offline presence by end of 2019.

Questions :

- (a) Discuss the growth chart of Paytm and its future market potential in India. [10]
- (b) What revolution can firms like Paytm prospectively bring into Indian retail markets by empowering unorganized retailers with technology interventions ? [10]
- (c) "Paytm Mall is expected to close FY18 with a loss of around Rs 1,013 crore, which shot up from just Rs.13.6 crore in FY17." Discuss the implications in light of the above reading. [10]

UNIT-I

- 2. Write a detailed note on E-Business and E-Commerce; also elaborate the challenges that a business may encounter while transiting from traditional to e-business approach. [10]

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- 3. Do you think technology can facilitate sustainable competitive advantage ? Defend your views through relevant examples. [10]

UNIT-II

- 4. What are the elements of e-business plan and how should an e-business firm refine its product and pricing strategies to match best fit requirements for its target markets ? [10]
- 5. What are the critical issues involved in design and development of a business website ? What engagements can a business website facilitate towards customer acquisition and eventual retention ? [10]

UNIT-III

- 6. Discuss the scope of internet advertising and also explain how digital activities differ from traditional efforts in marketing communications for a company. [10]
- 7. Write an essay on online payment systems. Use relevant examples to explain. [10]

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