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Safety in Business-to-Business Online Transactions

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Abstract: B2B supply chain funding is a new financial model that aims to make it easier to raise money and improve processes, efficiency, and growth in the supply chain. It is used for online purchases between businesses (B2B), and it is built on the B2B e-commerce platform. For processing and analyzing, you need data on how logistics, business, information, and money move together. Customers who want to take advantage of the speed and ease of e-commerce must not only choose products wisely, but also know and follow all the rules and laws that apply. It is important to avoid getting into trouble with the law. This paper looks at how the B2B platform's online supply chain financial business model creates credit risk and how it works. It then builds a method to reduce risk based on the supply chain financial risk. This article starts by looking at how the B2B platform's online supply chain financial business model creates and operates credit risks. It then builds a system to prevent and control the risks created by this financial business model risk evaluation index system.
Keywords: Business-to-Business, Online Transactions, B2B supply chain, logistics, Safety

I. INTRODUCTION

The supply chain finance approach of the B2B e-commerce platform, which is a partnership between conventional banks and B2B e-commerce platforms, may be able to help companies get the money they need. This system is used to describe a number of Internet and supply chain tools. SMEs (small and medium-sized businesses) often have trouble getting money. The problem has been fixed, making it safer to deal with business banks. Since this new idea was first introduced, the market has continued to grow, and the credit risks that come with this growth have become clearer. How well credit risk is handled and controlled affects the credit security of business institutions, which in turn affects how well the supply chain built on this model works.

Because it is so important, more and more research is being done on how to reduce financial and legal risks in the B2B e-commerce supply chain. Liu et al. say that the flexibility of a company's supply chain is the most important factor in determining whether or not it will gain a market edge. They looked at the things that affect the stability of cross-border e-commerce supply chains to improve the global effectiveness of supply chains.

There are safeguards in place to make sure that the supply chain for online shopping is safe. They think that one of the best things about the supply chain is how flexible it is. As a first step, the attitude of risk management could be made stronger, partner teamwork could be better, and the supply chain could be made more flexible. Online shopping has grown by leaps and bounds in recent years, thanks to the growth of the internet and the development of new, cutting-edge computer programs. But e-commerce supply chains are notoriously shaky, even though the network is complicated and it's important to handle risks and unknowns well. Dutta et al. used a mathematical study of data from several supply chain experts to figure out the risks of the e-commerce supply chain and the many ways to avoid them.

They used two-sample t-tests to figure out how the different risks affected SC results and how the risks affected each other. Using ideas like the big data theory chain, supply chain networks, and other cutting-edge technologies, Dou and Zheng put forward the idea that B2B e-commerce supply chain funding is the most innovative way to do business in the e-commerce field. One part of the B2B e-commerce supply chain's financial design is a complex network structure. So that B2B supply chain financing can grow, it has been suggested that the right control methods be used. The suggested control methods were based on the legal limits, risk management limits, and platform technology limits that may be present in the current B2B supply chain funding. In recent years, financial institutions (FI) have looked into supply chain finance (SCF) as a possible way for small and medium-sized businesses (SMEs) to get the money they need. This shows that calculating the credit risk of small and medium-sized businesses (SMEs) in supply chain finance has become one of the most important things to think about before giving out money.

By combining Random Subspace (RS) and MultiBoosting. made a new hybrid integrated ML method that works better. This method could make it easier to predict the loan risks of SMEs. "Traditional" measures like a company's current ratio and fast ratio are used a lot in e-commerce supply chain finance. This is because these numbers show how fast a business can turn its current assets into cash. The worth of CE's profit margin and the quality of the items being traded are two things that set the SCF apart.

II. IDENTIFYING THE FINANCIAL RISKS IN THE SUPPLY CHAIN OF AN E-COMMERCE PLATFORM

The e-commerce network has made it easier for big companies, SMEs, and other businesses to do business with each other. E-commerce systems, on the other hand, can be struck from inside and outside the company. This is because Internet security is hard to understand and needs help from people.

"External risk" refers to the dangers to an e-commerce platform that come from things it can't control, like national laws, government regulations, and the state of the market. The way China handles online markets now has always been a good thing. So, from the outside, e-commerce sites don't pose a threat to the business as a whole.

There are risks inside e-commerce sites that are different from those that come from the outside. Three of the most common internal threats to e-commerce platforms come from management, IT, and figuring out how much credit a platform has.

A. Risk of Information Technology

The dangers that come with real-time processing, validity, and information security are the main things that make information technology dangerous.

We talk about a thing's "real-time risk" when we talk about how well information shows the current state and characteristics of that thing. When it comes to being official and final, information that is both thorough and complete tends to be the case for a certain amount of time. The information's validity risk, which is mostly linked to the quality and trustworthiness of the data, will have a direct effect on how much trust each person in the deal has in the information.

The "security risk" is the information that is sent through the e-commerce platform's information systems. During the time that the e-commerce site is handling data, this information could be stolen, changed, lost, or erased.

B. Minimize Risks

The worry here is that the e-commerce site could become very popular quickly, even if it is not well run. Communication and being able to handle problems from the outside are two areas where management can go wrong. As an example of a communication risk, people often point to the fact that an e-commerce site might not be able to provide quick and helpful customer service. This is the most obvious sign that there might be trouble communicating. Most of the time, controlling time during external events is risky because people aren't sure if the e-commerce platform is ready to handle things that come up out of the blue.

C. Network Risk of Credit Assessment

After a transaction has been finished on a platform, the buyer's review of the seller on the platform could cause the transaction to be canceled, the buyer to be misled, or the buyer to be unfairly judged. This possible risk is called credit rating platform risk. For e-commerce sites to grow in the future, it may be necessary to create a thorough system for tracking credit and a strict system for controlling this kind of activity.

III. TO MANAGE THE FINANCIAL RISKS OF THE SUPPLY CHAIN, THE FOLLOWING STRATEGIES CAN BE IMPLEMENTED

Check the credit scores of the most important companies to see if they can be trusted. Make sure everyone knows what's being shipped. Because product prices can change a lot, the investor has some freedom when it comes to setting interest rates and loan-to-value ratios. The need for these changes may depend on both the stage of production and the credit risk.

To avoid problems, it's important to check on the presence of key firms in the supply chain. The liquidity of the main organization may be affected directly or indirectly by the different ways of financing the supply chain. Risks related to the core company's activities are quickly passed on to other companies in the supply chain, while the main company is responsible for making sure that both source and downstream companies can get the money they need. Because it has a direct effect on the bottom line of the supply chain, it is important to keep track of how much of it is available. The following should be used to help banks choose their main banking operations:

There should be ways to encourage and limit wholesalers and sellers who get special treatment, such as entry and exit management, order guarantee, sales refunds, price difference pay, and marketing support.

Third, we look at how reliable key firms are as financial institutions' backers. That is, the question is whether or not core businesses can use what they know about CRM to help financial institutions lower the number of supply chain loans that go unpaid.

There is a chance that the customer's item will be taken away if it came from a stolen item, and the customer is breaking the law if they don't meet all the requirements for the item. Because of these things, the transport business will face problems that have never been seen before. Consumers with bad credit are another example, because they are more likely to do dangerous things in the future. Continuous collection, for example, makes it more likely that the products will get damaged, that the customer will get a bad product, and that the shipping company will have trouble keeping track of quality. The percentage of the client firm's debt to its assets must also be looked at. If the client's percentage of debt to assets is too high, the business could fail.

A. Financial and Legal Risks of E-commerce

Since online trade didn't become common until fairly recently, there is a lot of confusion about what the law says about how it can work. Because of this, the rise of e-commerce companies has slowed down a lot. Because e-commerce is done all over the world, companies need to take extra steps to make sure they are following all laws and rules, both those that are already in place and those that may be made in the future. This makes it hard for businesses to grow on their own. Most e-commerce is done through a virtual network. Several types of electronic contracts, ecommerce certification, and online intellectual property rights pose legal risks to businesses and make it hard to get legal rights and interests. This is because there aren't clear laws and rules about them. Guarantees that go against what's best for a business could slow its growth and development.

The "Consumer Rights Protection Law" says that internet sellers who sell consumer durables like cars, appliances, and gadgets must show proof against any claims of product or service flaws. Because of this, it is important for online shops to have proof that their products and services have been checked for quality and approved before they let customers buy them.

When there are more requests for an item than there are items in stock, the web store is said to have "oversold" the item. Because of this, shops are running out of stock and customers can't buy anything. When e-commerce businesses share product information and costs on a networked site, this is the same as making an offer. After the things have been brought, the buyer and seller make a deal to buy them. The owner of an online store will be held responsible for breaking a contract if, after a customer has paid for an item, the owner refuses to ship the item because there aren't enough of them. This is true even if the owner posted information about the sale without telling customers to pay attention to limits on the number of items sold, the amount of time they have to buy, etc. Businesses that do e-commerce should be aware that things can be expensive during promotions, so they don't have to give money back to customers for sales they didn't get.

Make sure your products and services are of good quality, limit the number and length of returns that don't make sense, and follow all laws and rules about refunds. The "Consumer Rights Protection Law" makes it clear that customers come first when it comes to returning products, and it protects customers' right to change their minds. You have to pay for the cost of sending the item back, and it has to be in the same state as when you got it. This is to stop people from taking advantage of the return policy. Within seven days of receiving their order, customers can ask for a refund without giving a cause. The law says that business owners can sell their goods through non-traditional channels like the Internet, broadcast television, the phone, and the mail. In addition to goods, it is the client's responsibility to find out at the time of purchase if the nature of the good makes it impossible to return. Because of this, some things sold on the internet need to come with written evidence that can be checked by the customer. One of the minimum needs is a law that says goods can't be returned without permission within seven days. If the operator decides to give customers a grace period during which they can use their right of return, that grace period must be the same as the grace period the operator originally gave. Laws and rules require that goods that don't meet the "seven days without reason to return" claim be clearly labeled in an easy-to-find place. All of the standards for after-sale service must be met, and goods that don't meet the "seven days without reason" promise can't be added without permission.

Because data is used for business, licensing groups are an important part of internet trade.

The major job of the certification body is to give digital certificates to users and keep track of them. It includes important basic information that has been checked and credit certifications that all parties need. Often, this is where the who, where, and how of making an electronic signature are given. Where is it in terms of money right now? Even though a lot of places, officials, and companies have set up licensing offices, there are still a lot of risks that go unnoticed. Before any law about e-commerce is passed, court notarization must join the field of e-commerce and take on the tasks of a certification agency. This is the only way to avoid legal battles between certification agencies.

As online information sharing and e-commerce methods and platforms have become more popular in modern society, people have started to worry about how to protect intellectual property in e-commerce. Some business owners use dishonest methods, like cybersquatting domain names and brand theft, to help them reach their own bad goals. Intellectual property theft and conflicts often happen when people download and copy original works they find on the internet.

Connecting to the websites of other people and using their work without permission is another common source of intellectual property theft and conflicts. This is one reason why illegal software is so easy to find on the Internet. The main goal of e-commerce law is to help the Internet grow in a healthy way. This is done by making sure that intellectual property rights are protected across the whole social network and by developing and strengthening the legal framework that governs intellectual property in e-commerce.

IV. CONCLUSIONS

This paper looks at how the four main players in online supply chain finance—e-commerce sites, commercial banks, and transportation firms—work together. This article also looks at financial, market, and business risk factors and rates them. Check the financial supply line for possible risks. Look at what leads to the potential risks that come with online shopping. Make sure that online purchases are safe. It is important to make the most of the government's role as a stable guide for the growth of e-commerce. Based on a review of how supply chain finance works now, it is suggested that a binary tree be used to find the best interest rate and risk management for financing. This approach, which uses formulas to check the B2B e-commerce supply chain financial risk assessment method and management plan, is the result of a look at the current state of supply chain finance. Prevention and managing risks are both good and effective strategies. More research needs to be done on how the supply chain will get money in the future, especially about how to avoid risks and run the upper part of the chain.

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