



THE MOMBASA POLYTECHNIC UNIVERSITY COLLEGE

Faculty of Business & Social Studies

DEPARTMENT OF BUSINESS STUDIES

BACHELOR OF BUSINESS ADMINISTRATION

BBT 2211: INTERNET COMMERCE

END OF SEMESTER EXAMS

SERIES: APRIL/MAY 2010.

TIME: 2 HOURS

INSTRUCTIONS TO CANDIDATES

1. The paper consists of **TWO** sections **A** and **B**.
 2. Answer **ALL** questions from Section **A** and any **TWO** questions from Section **B**.
Question **ONE** is compulsory.
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SECTION A (Compulsory)

QUESTION ONE

1. The problem of protecting digital intellectual property and the commercial desire of making it available on the Web while simultaneously protecting copyrights has been a dilemma to many organizations. List and explain **TWO** possible solutions to this dilemma. (4 marks)
2. (a) Define a strategic information system as used in business firms. (1 mark)
(b) Outline **FOUR** strategies a firm can use to gain competitive advantage and give an example of how E-commerce can be used in each strategy. (8 marks)

3. What are transaction costs and why are they important? (3 marks)
4. (a) Explain **FOUR** threats to E-commerce facilities. (8 marks)
- (b) State the precautionary measures to each of the threat in 4(a) above. (4 marks)
5. List any **TWO** problems experienced by Electronic commerce due to its international nature. (2 marks)

SECTION B (Answer any **TWO** questions)

QUESTION TWO

1. Discuss how the following facilities support electronic commerce.
- (a) Intranets
- (b) Protocols
- (c) Internet utility programs
- (d) Hypertext markup language
- (e) Extranets. (10 marks)
2. Explain how the internet and WWW has developed noting the key milestone that contributed to the emergence of the Internet as an electronic commerce infrastructure. (10 marks)

QUESTION THREE

1. Explain the following E-commerce networking concepts. Outlining at least one advantage and disadvantage in each.
- (a) Peer to peer network
- (b) Client server network (10 marks)
2. A critical consideration facing most firms expanding into e-commerce is whether to run the server in-house or to outsource the service. Discuss the merits and demerits of the two alternatives. (6 marks)
3. Discuss the **TWO** most important measures of a Web site's performance. (4 marks)

QUESTION FOUR

1. Explain why Web sites use cookies. What problem do cookies solve?
2. Explain **FOUR** objectives of information systems security. (8 marks)

3. List **THREE** costs involved in web hosting. (3 marks)
4. To safeguard Electronic facilities, an organization should have a Computer security policy '*a written statement describing the assets to be protected, the procedures to be followed and the areas of responsibility*'. List any **FOUR** items that the policy statement should address: (4 marks)
5. Identify the disadvantage of using Electronic cash over the traditional cash. (1 mark)

QUESTION FIVE

1. Explain how an organization can protect the following Electronic commerce facilities:
 - (i) The Client Computers
 - (ii) Electronic Commerce Channels
 - (iii) An organization ensuring Transaction Integrity
 - (iv) The Commerce Server (8 marks)
2. List **FOUR** methods to collect payments from customers using electronic cash. (4 marks)
3. Differentiate between the following approaches to holding electronic cash:
 - (a) On-line storage.
 - (b) Off-line storage. (4 marks)
4. Identify **TWO** promotion techniques that the Web Businesses should attempt to meet when constructing their Web sites. (4 marks)