

KIBABII UNIVERSITY



UNIVERSITY EXAMINATIONS

**2020/2021 ACADEMIC YEAR
FOURTH YEAR FIRST SEMESTER
MAIN EXAMINATION**

**FOR THE DEGREE OF BACHELOR OF COMMERCE
COURSE CODE: BCO 412
COURSE TITLE: E-COMMERCE
DATE: 05/08/2021 TIME: 9.00AM-11.00AM**

INSTRUCTION TO CANDIDATES

- 1) The paper contains FIVE questions
- 2) Attempt THREE questions
- 3) Question ONE is Compulsory

TIME: 2 Hours

KIBU observes ZERO tolerance to examination cheating

SECTION ONE

QUESTION ONE

CASE STUDY

For many years the Peningslavia department of transportation (DOT) uses a traditional offline auction process. In a radical address December 6th 2003 governor ED Rendell announced that the state would begin holding online auction to sell its surplus heavy equipment the old, live in person auction system generated about 5 million a year using the internet, the DOT expected at least a 20% increase in revenue

The commonwealth of Peningslavia conducted its initial online of sell of surplus DOT items in October 2003 the sell consisted of 77 items on side inspection was available twice during the two-week bidding period. The online sell allowed the commonwealth of Peningslavia to obtain an average price increase of 20%. while reducing labor cost related to holding a traditional online sell on high value especially items.

The auction was conducted by asset – auction .com the results of auction are shown below

- Total sales 635,41603
- Half of the bidding activity occurred in the final two days
- Every load received multiple bids
- Over 200 bidders registered for the sell

The commonwealth of Peningslavia now sell surplus equipment and properties using both assets auction .com and e-bay

Required:

- a. Identify the e-business model that have been adopted by DOT (2mks)
- b. What drives led to DOT to go online (4mks)
- c. What is the importance of online auction (6mks)
- d. Explain different online advertising methods that could be used by DOT to popularize their website in order to increase their revenue (10mks)
- e. Explain four security measures that could be taken by DOT to protect itself and its online customers (8mks)

SECTION B

QUESTION TWO

- a. Explain at least five classifications of e-business transactions (10mks)
- b. Explain at least five benefits of e-commerce to an organization (10mks)

QUESTION THREE

- a. Explain technical limitation of electronic commerce that affect adaption in Kenya (10mks)
- b. Explain the technologies that facilitate e-commerce (10mks)

QUESTION FOUR

- a. Explain ten products known to sell on internet (10mks)
- b. Explain the consumer decision making process (10mks)

QUESTION FIVE

E- Commerce crimes are common in current market. Explain reasons why it is difficult to stop e-commerce crime (20mks)