



**JARAMOGI OGINGA ODINGA UNIVERSITY OF SCIENCE AND
TECHNOLOGY**

SCHOOL OF INFORMATICS AND INNOVATIVE SYSTEMS

**UNIVERSITY EXAMINATION FOR THE DEGREE OF BACHELOR OF
BUSINESS ADMINISTRATION**

3RD YEAR 1ST SEMESTER 2016/2017 ACADEMIC YEAR

COURSE CODE : SCS 322

COURSE TITLE : ELECTRONIC COMMERCE

EXAM VENUE : STREAM: BBA

DATE : EXAM SESSION :

TIME: 2.00 HOURS

STUDENT NO: 180

INSTRUCTIONS:

- 1. Answer Question 1 (Compulsory) and ANY other two questions**
- 2. Candidates are advised not to write on the question paper**
- 3. Candidates must hand in their answer booklets to the invigilator while in the examination room**

QUESTION ONE 30 MARKS

How the state of Pennsylvania sells surplus equipment

For many years, the Pennsylvania Department of Transportation (DOT) used a traditional offline auction process. In a radio address on December 6, 2003, Governor Ed Rendell announced that the state would begin holding online auctions 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 percent increase in revenue.

The commonwealth of Pennsylvania conducted its initial online sale of surplus DOT items in October 2003. The sale consisted of 77 items (including 37 dump trucks). Onsite inspection was available twice during the 2-week bidding period. The online sale allowed the commonwealth of Pennsylvania to obtain an average price increase of 20 percent, while reducing labor costs related to holding a traditional on-site sale. On high-value specialty items (i.e., a bridge inspection crane and satellite van), results exceeded the estimated sale prices by over 200 percent. The auction was conducted by Asset-auctions.com. The results of the auction are shown below:

- Total sales: \$635,416.03
- Half of the bidding activity occurred in the final 2 days
- Every lot received multiple bids Overtime bidding occurred in 39 lots
- Over 200 bidders registered for the sale
- 174 bidders from 19 states and Mexico made about 1,500 bids in 5 days
- 47 different buyers participated.

The commonwealth of Pennsylvania now sells surplus equipment and properties using both Asset-auctions.com and eBay.

- a) Identify the e-Business model that has been adopted by DOT (2 Marks)
- b) What drivers led DOT to go online? (2 Marks)
- c) Why did the state generate 20 percent more in revenues with the online auction? (2 Marks)
- d) Unlike the traditional offline auction the online auction exposes the customers to some potential threats, explain these threats (6 Marks)
- e) Explain the different on-line advertising methods that could be used by DOT to popularize their website in order to increase their revenue (5 Marks)
- f) Identify the different ways in which Dot's customers could pay for their purchase (4 Marks)
- g) Why did DOT need an intermediary to conduct the auction (3 Marks)

- h) How would DOT match its products to individuals and their preferences
(6 Marks)

QUESTION TWO (20 MARKS)

- a) Define the term broadband (2 Marks)
- i. Explain the term electronic marketplace and outline its main components. (9 Marks)
 - ii. Explain the three main functions of e-markets. (3 Marks)
- c) Describe each of the following classification of E-business transactions giving examples in each case
- i. Business to Consumer (B2C)
 - ii. Business to business (B2B)
 - iii. Business to Business to Consumer (B2B2C) (6 Marks)

QUESTION THREE (20 MARKS)

- a) Mobile commerce has become very popular in Kenya over the recent 3 years. Define the term Mobile commerce and give reasons for its popularity (6 Marks)
- b) Explain what needs to be done to retain M-Commerce popularity.
(10 Marks)
- c) Identify and briefly explain two types of common B2B transactions
(4 Marks)

QUESTION FOUR (20 MARKS)

- a) Briefly describe five online advertising methods (10 Marks)
- b) Define the following terms
- i. Intranet
 - ii. Extranet
 - iii. Phishing
 - iv. Electronic business
 - v. Web browser (10 Marks)

QUESTION FIVE (20 MARKS)

“EasyFly.Com” is a new airline agency that requires an E-Commerce solution. You have been approached by the company to develop a solution for them. You are aware that designing and developing an E-Commerce site requires careful planning and selection of appropriate tools and methodologies. Using E-Commerce Development and Management Life Cycle (ECDMLC) discuss the stages that you would need to go through to develop and maintain the site.

(20 Marks)