

Question 1 [30 marks]

a) **Question 1**

- b) Many business names now include “e” as a prefix.
- What makes a business “e”? (5 marks)
 - What trends have you observed that tell you whether Kenya is becoming (or not becoming) an information society? Use E-commerce trends elsewhere in evaluating Kenya’s progress. (10 marks)
- c) How does B2B E-commerce work, in comparison to B2C commerce? (5 marks)
- d) How would you categorize M-Pesa, yu-cash, and Zap in E-Commerce terminology? (2 marks)
- e) Explain how the following e-commerce security measures function to enable information integrity (6 Marks)
- Encryption
 - Digital signatures
 - System Intrusion detection software
- f) Differentiate E-commerce from E-business (2 marks)

Question 2

- a) Kenya is fast becoming a global source for mobile applications. Explain why this may be so given recent industry trends in the telecoms sector. (3marks)
- b) E-commerce is gaining popularity among consumers in many markets. This has been attributed to the many unique features of e-commerce compared to brick and mortar trade. Identify any 5 of the unique features(5 Marks)
- c) Porter (1980) suggested that technology can be engaged in business to provide advantage in a cut-throat competition environment. Discuss how e-commerce can provide this advantage(12 Marks)

QUESTION 3: (20 MARKS)

- a) Outline any 3 limitations of widespread use of e-commerce(6 Marks)
- b) A business model is a set of planned activities designed to result into a profit. E-commerce business organizations operate in different business and revenue models. Explain the following models (8 Marks)
- Subscription revenue model
 - Affiliate revenue model
 - Portal business model
 - Content provider business model
- c) Using relevant examples differentiate between the following (4 marks)
- Pure and partial e-commerce

ii. Brick and mortar and virtual business

d) Explain the function of a 'shopping cart' on a e-commerce site (2 Marks)

QUESTION 4: (20 MARKS)

- a) Describe the technological revolution that preceded the growth of e-commerce.(6 Marks)
- b) Explain the activities involved in analysis, design and implementation stages for an e-commerce site(10 Marks)
- c) Describe, with the aid of a diagram, what is meant by 'supply chain management' (4 Marks)

QUESTION 5: (20 MARKS)

- a) Identify and explain any three electronic payment systems used in e-commerce(6 Marks)
- b) Discuss four advantages of electronic payment systems over cash and paper based payment options(4 Marks)
- c) Explain the following e-commerce business models identifying how revenue is generatedineachcase
 - i.Transactionbroker(2Marks)
 - ii.Contentprovider(2Marks)
 - iii.Onlinemarketplace(2Marks)
 - iv.Virtualstore(2Marks)
 - v.portal(2Marks)