



# MURANGA UNIVERSITY COLLEGE

(A constituent College of Jomo Kenyatta University of Agriculture & Technology)

**MAIN CAMPUS**

**SPECIAL/SUPPLEMENTARY UNIVERSITY EXAMINATIONS**

**2014/2015 ACADEMIC YEAR**

**THIRD YEAR SECOND SEMESTER EXAMINATIONS**

**FOR THE DEGREE OF  
BACHELOR BUSINESS INFORMATION TECHNOLOGY**

**COURSE CODE: HBT 2306**

**COURSE TITLE: E-COMMERCE**

**DATE:**

**TIME:**

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## **INSTRUCTIONS TO CANDIDATES**

Question ONE (1) is compulsory  
Answer THREE (3) questions

MRUC observes ZERO tolerance to examination irregularities

This Paper Consists of 2 Printed Pages. Please Turn Over. ►

**Question ONE: (30 MARKS) - Compulsory**

- a) Briefly explain the term e-commerce and highlight six the benefits of using e-commerce. (8 marks)
- b) Briefly explain the following terms and their significance as used in E-commerce.
- i.) Virtual Community (2 marks)
  - ii.) Shopping cart. (2 marks)
  - iii.) Digital Signatures. (2 marks)
  - iv.) Biometric Systems. (2 marks).
- c) The Tycoon National Bank has experienced a huge break in security that has resulted in the loss of more than R1 million and an accompanying loss of customer goodwill and a drop in the usage of online facilities. They have now contacted you (an Internet security consultant) to help them to write an article in to be published in their monthly internal magazine. The article must inform the employees about the risks involved in Electronic Payment Systems from the customer, merchant and financial service provider perspective. (6 marks)
- d) Describe the steps involved in authentication. (5 marks)
- e) Highlight three advantages of using a Smart Card. (3 marks)

**Question TWO**

- a) Explain are the advantages of having e-commerce over extranets. (10 marks)
- b) Describe electronic cash and the properties of electronic cash. (10 marks)

**Question THREE**

- a) Describe Public Key Cryptography. Explain its advantages and disadvantages. (10 marks)
- b) Explain briefly how firewalls protect network and the three methods used to control traffic flowing in and out of a network. (10 marks)

**Question FOUR**

- a) Discuss any four types electronic digital payment systems. (8 marks)
- b) Describe Electronic Data Interchange (EDI) and Explain the layered architecture of EDI. (6 marks)
- a) Explain the limitations of traditional payment instruments and how are these limitations overcome by electronic payment systems. (6 marks)