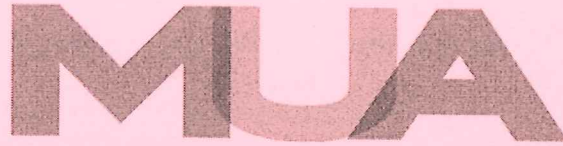


The  
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**UNDERGRADUATE UNIVERSITY EXAMINATIONS**

**SCHOOL OF MANAGEMENT AND LEADERSHIP**

**DEGREE OF BACHELOR OF MANAGEMENT AND LEADERSHIP**

**BMT 404: ELECTRONIC COMMERCE**

**DATE: 31<sup>ST</sup> MARCH 2025**

**DURATION: 2 HOURS**

**MAXIMUM MARKS: 70**

**INSTRUCTIONS:**

1. Write your registration number on the answer booklet.
2. **DO NOT** write on this question paper.
3. This paper contains **SIX (6)** questions.
4. Question **ONE** is compulsory.
5. Answer any other **THREE** questions.
6. Question **ONE** carries **25 MARKS** and the rest carry **15 MARKS** each.
7. Write all your answers in the Examination answer booklet provided.

**QUESTION ONE**

Read the Case Study below carefully and, answer the questions that follow:

**ELECTRONIC DATA INTERCHANGE (EDI) IN E-COMMERCE**

XYZ Retail Services., a mid-sized online retailer, faced inefficiencies in order processing, inventory management, and supplier communication. Manual data entry led to frequent errors, delays in order fulfillment, and increased operational costs.

To streamline operations, XYZ Retail Services implemented an Electronic Data Interchange (EDI) system to automate transactions with suppliers and logistics partners. The EDI system enabled standardized document exchange, reducing dependency on manual processes.

The EDI system was integrated with the company's Enterprise Resource Planning (ERP) software. Purchase orders, invoices, and shipping notices were exchanged electronically with suppliers. Inventory levels were synchronized with suppliers to prevent stock outs and overstocking. The system adhered to global EDI standards such as ANSI X12 and EDIFACT for seamless interoperability.

The results were amazing. Errors were reduced by 80%, leading to faster and more accurate order processing. Order fulfillment time was cut down by 50%. There was tremendous cost saving with reduced administrative costs associated with manual data entry and paper-based processes. In addition, there was strengthened supplier relationships through faster and more transparent transactions.

By adopting EDI, the management of XYZ Retail Services significantly improved its operational efficiency, reduced costs, and enhanced customer satisfaction. The automation of order processing and inventory management positioned the company for scalable growth in the competitive e-commerce market going forward.

**Required:**

- a) As a student of e-commerce, examine three (3) challenges that were faced by XYZ Retail Services before implementation of the EDI system (6 Marks)
- b) Explain how the implementation of the EDI system improved order accuracy and processing speed at XYZ Retail Services. (10 Marks)
- c) As the EDI guru at XYZ Retail Services, analyze the main benefits the company gained from adopting EDI. (9 Marks)

## QUESTION TWO

Assess the contemporary and emerging issues in e-commerce in the face of geo-politics across the world today.

- a) Contemporary issues (6 Marks)
- b) Emerging issues (9 Marks)

## QUESTION THREE

- a) Arising from the various global pandemics such as Monkey pox and Ebola virus recently, electronic payments were preferred to traditional methods of payments. Examine two (2) advantages and two (2) disadvantages of e-payment methods in East Africa today. (4 Marks)
- b) As a student of e-commerce, advise management on the factors to consider before selecting an electronic payment method. (5 Marks).
- c) Compare and contrast traditional and electronic methods of payment in business transactions today. (6 Marks)

## QUESTION FOUR

You have been appointed to head the e-commerce strategy in your organization. Prepare a Board paper on essential requirements for establishing an e-commerce presence in the organization. (15 Marks)

## QUESTION FIVE

- a) Explain the key legal frameworks governing e-commerce in Kenya today. (8 marks)
- b) Evaluate common ethical issues faced by e-commerce businesses in the SADC economic bloc in Africa. (7 Marks)

**QUESTION SIX**

Internet Marketing (IM) is critical in today's competitive business environment.

- a) Analyze three (3) differences between traditional marketing and internet marketing. **(6 Marks)**
- b) Examine three (3) opportunities offered by internet marketing to e-commerce in the East African community. **(9 Marks)**