

The
Management
University
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UNDERGRADUATE UNIVERSITY EXAMINATIONS
SCHOOL OF MANAGEMENT AND LEADERSHIP
DEGREE OF BACHELOR OF MANAGEMENT AND LEADERSHIP

BMT 404 : ELECTRONIC COMMERCE

DATE: 8TH APRIL 2026

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:

CONTEMPORARY AND EMERGING ISSUES IN ELECTRONIC COMMERCE WORLD WIDE

In the past decade, e-commerce has transformed from a niche marketplace into a central driver of global trade. Giants such as Amazon, Alibaba, and Shopify have set new standards in digital retail, while thousands of small and medium-sized enterprises (SMEs) have leveraged online platforms to access international markets. However, this rapid growth has introduced several contemporary and emerging issues that businesses, consumers, and policymakers must address.

One major issue is cybersecurity and data privacy. High-profile breaches, such as those affecting Target and Equifax, have raised questions about consumer trust in online transactions. With the rising use of artificial intelligence (AI) and big data analytics, companies can offer personalized shopping experiences – but at the cost of increased risks of surveillance and misuse of personal information.

Another challenge is the logistics and sustainability dilemma. Fast delivery expectations driven by companies like Amazon Prime contribute to carbon emissions from packaging, warehousing, and last-mile delivery. As consumers grow more environmentally conscious, firms are under pressure to balance speed, convenience, and sustainability.

The regulatory landscape adds further complexity. Different regions enforce varying standards on taxation, digital payments, and consumer protection. For example, the European Union's General Data Protection Regulation (GDPR) significantly reshaped how firms handle customer data, while emerging markets such as India and Kenya are implementing digital tax regimes that directly impact e-commerce operations.

Finally, emerging technologies – including blockchain, augmented reality (AR), and social commerce – are reshaping the industry. Blockchain promises secure, transparent transactions; AR allows consumers to “try before they buy”; and

platforms like TikTok and Instagram blur the lines between social networking and online shopping. These innovations create both opportunities for growth and risks of exclusion for businesses unable to adapt quickly.

E-commerce is no longer just a tool for buying and selling goods; it is an ecosystem influenced by technology, regulation, sustainability, and consumer expectations. The way global businesses address these issues will determine the future shape of digital trade.

Required:

- a) Discuss **three (3)** major challenges of global e-commerce highlighted in the case study. **(10 Marks)**
- b) Analyze how emerging technologies such as blockchain and augmented reality (AR) are shaping the future of global e-commerce. **(10 Marks)**
- c) Evaluate the impact of differing regulatory frameworks globally on the expansion strategies of global e-commerce firms. **(5 Marks)**

QUESTION TWO

- a) Assess security threats that face electronic commerce in Kenya. **(9 Marks)**
- b) Analyze three (3) e-commerce payment platforms used in Kenya **(6 Marks)**

QUESTION THREE

- a) Discuss Electronic Data Interchange in the context of e-commerce. **(3 Marks)**
- b) Examine six **(6)** requirements for Electronic Data Interchange in an organization. **(12 Marks)**

QUESTION FOUR

Evaluate the impact of digital marketing on e-commerce in Kenya **(15 Marks)**

QUESTION FIVE

- a) Discuss the key infrastructural requirements that must be in place for e-commerce to thrive in Africa. **(9 Marks)**
- b) Examine the regulatory, financial, and consumer trust requirements necessary for sustainable e-commerce growth in Africa. **(6 Marks)**

QUESTION SIX

- a) Evaluate legal and ethical aspects of electronic commerce in Kenya **(9 Marks)**
- b) Explain why a business would adopt electronic commerce in this age of cut throat competition in Kenya. **(6 Marks)**