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**KIRIRI WOMEN'S UNIVERSITY OF SCIENCE AND TECHNOLOGY**  
**UNIVERSITY EXAMINATION, 2024/2025 ACADEMIC YEAR**  
**THIRD YEAR, FIRST SEMESTER EXAMINATION**  
**FOR THE BACHELOR OF BUSINESS AND INFORMATION TECHNOLOGY**  
**KBA 2306 – ELECTRONIC BUSINESS LAW**

Date: 04<sup>TH</sup> December 2024  
Time: 11:30AM – 1:30PM

**INSTRUCTIONS TO CANDIDATES**

**ANSWER QUESTION ONE (COMPULSORY) AND ANY OTHER TWO QUESTIONS**

**QUESTION ONE (30 MARKS)**

- a) Explain how customer rights under customer protection acts are protected in the following scenarios:
  - i) A consumer purchases a product online that arrives damaged. (3 Marks)
  - ii) A customer discovers that the seller has misrepresented the product features. (3 Marks)
- b) A digital marketing agency signs an electronic contract with a software provider for a one-year software subscription. After three months, the software provider attempts to increase the subscription price. The agency disagrees and seeks to terminate the contract. Discuss the options available for the digital marketing agency to resolve the dispute (5 Marks)
- c) A user of an online platform uploads copyrighted songs without permission. Discuss the steps it should take to address potential infringement. (4 Marks)
- d) Electronic contract is an agreement enforceable at electronic business. Describe five essentials of a valid contract. (5 Marks)
- e) Discuss three intellectual property issues related to electronic business (6 Marks)
- f) Identify two major risks to consumer's data in e-commerce and discuss how data protection laws seek to address these risks (4 Marks)

**QUESTION TWO (20 MARKS)**

- a) Security is an essential part of any transaction that takes place over the internet. Customers will lose his/her faith in e-business if its security is compromised. Explain the four essential requirements for safe e-payments/ transactions (8 Marks)
- b) Electronic business platforms face a lot of security threats, with examples explain different security threats affecting electronic business platforms (6 Marks)
- c) When using electronic commerce in your business there are legal and ethical issues that are likely to affect your business.
  - i) Explain the legal issues the business owner needs to consider when adopting electronic commerce (3 Marks)
  - ii) With examples explain the ethical issues that the business owner needs to consider. (3 Marks)

### **QUESTION THREE (20 MARKS)**

- a) Imagine an e-commerce website collects customer data for marketing purposes. The website shares this data with a third-party marketing agency without user consent. Under the General Data Protection Regulation, identify the potential legal violations and suggest corrective actions the company should take. (10 Marks)
- b) Section 83 of the National Payment Systems Act of 2011 makes it an offense for one to access electronic systems unauthorized with a nefarious intention, discuss other 3 offenses in security of digital data and electronic transactions (6 Marks)
- c) Business agreements often use electronic contracts of various types depending with scenarios in which your business will present its agreements, explain forms of electronic contracts (6 Marks)

### **QUESTION FOUR (20 MARKS)**

- a) A Kenyan influencer posts copyrighted content without authorization on their social media. Explain the potential intellectual property violations involved and the penalties the influencer might face under Kenyan law. (6 Marks)
- b) Illustrate using examples the challenges of enforcing intellectual property rights in the digital environment and mechanism resolving the challenges. (8 Marks)
- c) You download images from a well-known Kenyan-based fashion website and posts them on your blog without permission, claiming them as your own. The original website sends a cease-and-desist letter, demanding the images be removed.
  - i) Explain three the intellectual property infringement in this scenario according to the Kenyan Copyright Act. (3 Marks)
  - ii) Outline the legal repercussions the blogger could face for copyright infringement. (3 Marks)

### **QUESTION FIVE (20 MARKS)**

- a) Nairobi e-commerce platform is targeted by a phishing attack, resulting in the theft of users' payment information. Some customers report unauthorized transactions on their credit cards.
  - i) What measures should the platform take to prevent future incidents? (3 Marks)
  - ii) Describe the potential penalties for the platform if it is found to have inadequate cybersecurity measures in place. (3 Marks)
- b) Consumer purchases a smartphone from a local online retailer. When the product arrives, it doesn't function as advertised, and the customer requests a refund. The retailer refuses, claiming their policy only allows for exchanges or store credit.
  - i) From above Scenario what are the consumer's rights that the retailer denies the consumer as per Kenyan Consumer Protection Act in this situation. (6 Marks)
  - ii) Explain whether the retailer's return policy complies with Kenyan law for e-commerce transactions. (4 Marks)
  - iii) What legal options does the consumer have against the retailer (4 Marks)