Puzzle of the Day

An educational company is developing a class that will use "distance learning." The idea is that students can reside at any node on the Internet. The student will download class materials, work independently, and submit the results by electronic mail (or some other prearranged method). During specific times, TAs and the instructor will be on line and available via an interactive conferencing system called Remote Tutor. But there's one problem: giving tests. The company plans to give interactive tests, with questions being posed and the student answering in real time. The student will be at the remote node, of course.

1. From the company's point of view, what is the security problem in this scheme? Assume both the connection and the server (to which the test answers are sent) are secure enough so the company is not worried about their compromise.
2. How would you ameliorate the problem?