Roll No										

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Bengaluru

Even Semester End Term Examination, May / June 2026		
Date: 22/05/2026		**Time: 01.00 PM - 04.00 PM**
Course Code: BFI3016	**Course Name: Fintech**	
Semester: Sixth Semester	**Max. Marks: 100**	**Weightage: 50%**

CO - Levels	CO1	CO2	CO3	CO4
Marks	**36**	**36**	**68**	**40**

Part A: Answer Following Questions. 20 M				
Qn.No	**Questions**	**M**	**CO**	**BT**
1	What is fintech?	2	CO1	BT1
2	Explain the concept of fintech 3.0.	2	CO1	BT2
3	Name any two features of Cryptocurrency.	2	CO2	BT1
4	Mention any two regulatory guidelines of Payment Banks.	2	CO2	BT1
5	What are data analytics?	2	CO3	BT1
6	What is marketplace lending?	2	CO3	BT1
7	Name any two payment systems operated by NPCI.	2	CO4	BT1
8	Explain the objective of the Payment and Settlement Systems Act.	2	CO4	BT2
9	What is Money Laundering?	2	CO4	BT1
10	Name two examples of PPIs.	2	CO4	BT1

Part B: Answer Any 1 Following Questions. 16 M				
Qn.No	**Questions**	**M**	**CO**	**BT**
11.a	Explain the components of financial typology.	6	CO1	BT2
11.b	A financial institution evolved from using basic communication technologies to advanced banking systems and later adopted digital platforms and startup-driven innovations. This transformation changed the way financial services are delivered over time. Explain the technological developments that define FinTech 1.0, 2.0, and 3.0 based on the above case.	10	CO1	BT2

12.a	A small digital lending startup experiences frequent transaction failures and customer complaints due to poor internet connectivity in rural areas, along with concerns about data security. Despite offering innovative services, it struggles to build trust and ensure smooth operations. Suggest suitable solutions to address the key challenges faced by this FinTech firm.	6	CO1	BT2
12.b	A small business owner adopts a digital payment platform and mobile banking services to manage daily transactions and payments. Customers now enjoy faster, cashless transactions while the business gains better record-keeping and access to quick loans. Identify and explain the benefits of FinTech for both customers and businesses.	10	CO1	BT2

Part C: Answer Any 1 Following Questions. 16 M				
Qn.No	**Questions**	**M**	**CO**	**BT**
13.a	A government initiative was introduced to promote financial inclusion by providing basic banking services to people without access to traditional banks. Following this, several entities were licensed to operate as Payment Banks with limited banking functions. This marked an important step in expanding digital and accessible banking services in India. Explain the history and development of Payment Banks in India.	6	CO2	BT2
13.b	A technology firm is planning to implement blockchain for its operations and is exploring different models based on access, control, and transparency. The management wants to understand all possible types before making a decision. Each type offers unique features suitable for different purposes. Explain all the types of Blockchain Technology.	10	CO2	BT2
14.a	A fintech company adopts blockchain technology to manage secure digital transactions. While implementing the system, the team studies elements like distributed ledger, nodes, cryptography, and consensus mechanisms to ensure smooth functioning. Understanding these components helps in building a reliable system. Explain the key components of Blockchain Technology.	6	CO2	BT2
14.b	A business regularly uses RTGS for transferring large amounts instantly to its partners, ensuring quick settlement and improved trust. However, it finds limitations such as restricted banking hours and suitability only for high-value transactions. These factors influence its payment decisions. Explain the benefits and challenges of the RTGS system.	10	CO2	BT2

Part D: Answer Any 1 Following Questions. 16 M				
Qn.No	**Questions**	**M**	**CO**	**BT**
15.a	A bank adopts AI systems to automate customer service and decision-making processes. Over time, it experiences issues related to system reliability and user acceptance. Illustrate the challenges faced by AI and Machine Learning in the above case.	6	CO3	BT3

15.b	A working professional uses digital platforms for all financial transactions, enjoying quick payments, easy access, and better financial management. At the same time, she faces issues like security risks, technical failures, and dependence on internet connectivity. Illustrate the advantages and challenges of digital financial services based on the above case.	10	CO3	BT3
16.a	A person avoids traditional banking channels and uses an online platform to borrow money from different lenders. Show how the features of P2P lending are evident in this case.	6	CO3	BT3
16.b	An organization relies on customer data to detect unusual transactions and strengthen security measures. This ensures safer financial operations. Show how data plays an important role in financial services in the given case.	10	CO3	BT3

Part E: Answer Any 1 Following Questions. 16 M				
Qn.No	**Questions**	**M**	**CO**	**BT**
17.a	A customer accesses financial services using a secure digital verification system instead of submitting physical documents. This allows faster onboarding and seamless transactions across platforms. The system is widely used across different financial activities. Illustrate the importance of digital identity.	6	CO3	BT3
17.b	A platform enables direct interaction between borrowers and lenders, reducing intermediaries and costs. At the same time, both parties face risks related to trust and financial security. Illustrate how P2P lending presents both advantages and disadvantages in the above case	10	CO3	BT3
18.a	A customer frequently uses online platforms for banking, payments, and other financial activities. Over time, the customer becomes concerned about the safety and misuse of personal information while accessing these services. The need to ensure secure usage becomes important. Illustrate effective ways to protect digital identity based on the above case.	6	CO3	BT3
18.b	A lending company manages large datasets related to borrowers and financial activities. These datasets are integrated into its operational processes. Explain how data analytics can be applied in the above scenario.	10	CO3	BT3

Part F: Answer Any 1 Following Questions. 16 M				
Qn.No	**Questions**	**M**	**CO**	**BT**
19.a	A fintech company offers three services: a wallet usable only within its own platform, a wallet usable across multiple merchants, and a card that can be used anywhere. Analyze the different types of PPIs in the case and examine how each type differs in terms of usage and regulatory requirements under the Prepaid Payment Instruments Master Directions.	6	CO4	BT4
19.b	A merchant faces delays in receiving payments through UPI due to settlement issues in the system. Examine how the National Payments Corporation of India guidelines on settlement and	10	CO4	BT4

	processing help in resolving such challenges.			
20.a	A company routes unaccounted money through fake transactions and later shows it as business revenue. Examine and analyze the stages of money laundering in the case and how each stage facilitates concealment of illicit funds.	6	CO4	BT4
20.b	A payment aggregator fails to maintain a separate escrow account and mixes customer funds with its own operational funds. Examine how regulatory guidelines for payment aggregators ensure proper fund management and analyze the risks involved in non-compliance.	10	CO4	BT4