PRESIDENCY UNIVERSITY
BENGALURU

SCHOOL OF MANAGEMENT
END TERM EXAMINATION - JUN 2023

Semester : Semester II - 2022
Course Code : COM3015
Course Name : Sem II - COM3015 - Introduction to Financial Technology
Program : BBF

Date : 19-JUN-2023
Time : 1.00PM - 4.00PM
Max Marks : 100
Weightage : 50%

Instructions:
(i) Read all questions carefully and answer accordingly.
(ii) Question paper consists of 3 parts.
(iii) Scientific and non-programmable calculator are permitted.
(iv) Do not write any information on the question paper other than Roll Number.

PART A

ANSWER ALL THE QUESTIONS   (10 X 2 = 20M)

1. What is Digital Identity?

(CO3) [Knowledge]

2. What is Unique Identification Authority of India?

(CO4) [Comprehension]

3. Define financial inclusion.

(CO5) [Comprehension]

4. What is crypto currency?

(CO2) [Knowledge]

5. What are some of the key players in the Fin-tech industry?

(CO1) [Knowledge]

6. Discuss the role of Data in delivering Financial Services.

(CO3) [Comprehension]

7. What is payment bank?

(CO2) [Knowledge]

8. List out the five regulatory bodies that manages the activities of financial technology in India.

(CO4) [Comprehension]

9. Define the term Payment aggregator.

(CO5) [Comprehension]

10. List out four examples for Fin-Tech solution providers that promotes financial digital innovation in India.

(CO1) [Knowledge]

PART B

ANSWER ALL THE QUESTIONS   **(4 X 10 = 40M)**

11. With so many digital wallet options, Fintech Cybersecurity Risks like fraudulent transactions, extortion, denial of service attacks, and credit card fraud have increased. These cyberattacks are powerful enough to put the financial sector at systemic risk. Enumerate various types of challenges faced by fintech companies and suggest some alternative measures to overcome them.

                                                                            (CO1) [Comprehension]

12. The NPCI, owned by a consortium of banks, is aimed at creating robust payments and settlement systems.NPCI is promoted by ten major banks, including the State Bank of India, Punjab National Bank, Citibank, Bank of Baroda, and HSBC. In 2016 the shareholding was broad-based to 56 member banks to include more banks representing all sectors. According to the NPCI website, new entities regulated by RBI were inducted in 2020, consisting of Payment Service Operators, payment banks, and Small Finance Banks. Evaluate the impact of NPCI on the bill payment ecosystem in India and its potential to streamline payment processes.   (CO4) [Comprehension]

13. Many experts consider predictive analytics an essential element in the digital transformation of finance. A key part of this is the ability to examine historical and new data for improving forecast. The application of analytics is crucial in financial services and other data intensive fields. Financial services businesses, including investment banks, generate and store more data than just about any other business in any other sector, mainly because finance is a transaction-heavy industry. While banks have, for many years, used data to measure and quantify risk, data analysts are now taking on the role of influential internal consultants, responsible for communicating to senior executive's key insights on how to improve the organization's overall profitability.
Examine the applications of financial analytics in detecting and preventing financial fraud.

                                                                            (CO3) [Comprehension]

14. Bitcoin is a protocol which implements a highly available, public, permanent, and decentralized ledger. In order to add to the ledger, a user must prove they control an entry in the ledger. The protocol specifies that the entry indicates an amount of a token, bitcoin with a minuscule. The user can update the ledger, assigning some of their bitcoin to another entry in the ledger. Because the token has characteristics of money, it can be thought of as a digital currency. Currently, around 19 million bitcoins have been mined and are circulated around the world.
Explain the concept of Bitcoin as a cryptocurrency in the world.   (CO2) [Comprehension]

PART C

ANSWER ALL THE QUESTIONS   **(2 X 20 = 40M)**

15. Aadhaar is the world's largest biometric ID system. World Bank Chief Economist Paul Romer described Aadhaar as "the most sophisticated ID programme in the world". Considered a proof of residence and not a proof of citizenship, Aadhaar does not itself grant any rights to domicile in India.In June 2017, the Home Ministry clarified that Aadhaar is not a valid identification document for Indians travelling to Nepal and Bhutan. Prior to the enactment of the Act, the UIDAI had functioned, since 28 January 2009, as an attached office of the Planning Commission (now NITI Aayog). On 3 March 2016, a money bill was introduced in the Parliament to give legislative backing to Aadhaar. Enumerate the challenges faced by UIDAI in its mission to provide universal identification to all citizens of India and how it has responded to them.   (CO4) [Comprehension]

16. Credit Karma is an American multinational personal finance company founded in 2007, which has been a brand of Intuit since December 2020. It is best known as a free credit and financial management platform, but its features also include monitoring of unclaimed property databases and a tool to identify and dispute credit report errors. The company operates in the United States, Canada and the United Kingdom. All of Credit Karma's services are free to consumers. Revenue from targeted advertisements for financial products offsets the costs of its free products and services. Credit Karma earns revenue from lenders, who pay the company when Credit Karma successfully recommends customers to the lenders. Discuss the evolution of Credit Karma's business model and its strategy to disrupt the traditional credit score industry.   (CO5) [Application]