



**PRESIDENCY UNIVERSITY  
BENGALURU  
RESEACH & DEVELOPMENT**

**Mid Term Examination – AUGUST 2024**

**School/Department:** School of Commerce

**Course Code:** COM816

**Course Name:** DIGITAL FINANCE AND INCLUSION

**Course Credit:** 3

**Date:** 12-08-2024

**Time:** 02.00pm to 03.30pm

**Max Marks:** 50

**Weightage:** 25%

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**Instructions:**

- (i) Read all questions carefully and answer accordingly.
  - (ii) Do not write any matter on the question paper other than roll number.
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**PART A (THOUGHT PROVOKING)**

**Answer all the Questions. Each question carries 5 marks. (4Qx5M = 20 Marks)**

1. Explain the role of the Reserve Bank of India (RBI) in the formulation and implementation of monetary policy.  

(C.O.NO.1) [Remember]
2. Discuss the key components and technologies driving digital finance, such as mobile banking, digital wallets, and blockchain.  

(C.O.NO.2) [Understand]
3. Discuss the potential advantages and risks associated with the adoption of cryptocurrencies.  

(C.O.NO.2) [Understand]
4. Explain the role of the Ministry of Finance in India and discuss its impact on the country's economic policies and financial regulations.  

(C.O.NO.1) [Remember]

**PART B (PROBLEM SOLVING)**

**Answer all the Questions. Each question carries 10 marks. (3Qx 10M= 30M)**

5. LAKSHMI Bank, a traditional commercial bank with a history spanning several decades, is facing challenges in adapting to the rapidly evolving financial landscape. The rise of digital technologies and changing customer expectations has prompted the bank to consider a transformation strategy. The Bank has observed a decline in

foot traffic to its physical branches and an increasing demand for digital banking services. Customers are shifting towards online banking, mobile apps, and alternative financial platforms. The bank's leadership recognizes the need to embrace digital transformation to stay competitive and meet the changing needs of its customer base.

1. Identify and discuss potential digital transformation strategies that LAKSHMI Bank can adopt to stay relevant in the digital era.

(C.O.No.1) [Remember]

6. DUTCH Bank, a well-established financial institution, is navigating the shift towards digital banking services to meet the changing preferences of its customer base. The bank has recently introduced a suite of digital services, including mobile banking apps, online account management, and contactless payment options. As the Bank embraces digital banking, it encounters both opportunities and challenges. While some customers enthusiastically adopt the new digital services, others express concerns about security and the loss of in-person interactions. The bank's leadership aims to strike a balance between embracing technological innovation and addressing customer apprehensions.

1. Examine factors influencing customer adoption of digital banking services at DUTCH Bank.

(C.O.No.2) [Understand]

7. Describe the primary functions of commercial banks and discuss their role in the economic development of India. Provide examples to illustrate their impact on businesses and individuals.

(C.O.No.2) [Understand]