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# PRESIDENCY UNIVERSITY BENGALURU

## Department of Research & Development

### Mid - Term Examinations - August 2024

**Odd Semester:** Ph.D. Course Work

**Course Code:** COM817

**Course Name:** Introduction to Fintech

**Department:** School of Commerce

**Date:** 13-08-2024

**Time:** 09.30am to 11.00am

**Max Marks:** 50

**Weightage:** 25%

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#### Instructions:

- (i) Read the 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.**

**(4Qx 5M= 20M)**

1. Fintech refers to the integration of technology into offerings by financial services companies to improve their use and delivery to consumers. With reference to above context, Highlight the areas of Fintech. **(CO : 1 Comprehension)**
2. Fintech, a combination of the words “financial” and “technology,” refers to software that seeks to make financial services and processes easier, faster and more secure. The fintech industry includes everything from payment processing solutions to mobile banking apps, all of which are designed to improve the financial lives of consumers and automate the financial operations of businesses. With reference to the above statement, Explain the need of fintech in this modern era. **(CO : 1 Comprehension)**
3. Fintech works by simplifying financial processes for consumers and businesses. When it comes to fintech apps, this is typically done through application programming interfaces (APIs), which enable communication between two applications to facilitate data sharing. This makes it possible for fintech products to automate fund transfers, analyze spending data and perform other tasks. With reference to the above context, Discuss the importance of Fintech with relevant examples. **(CO : 1 Comprehension)**
4. India is amongst the fastest growing Fintech markets in the world. Indian FinTech industry's market size is \$584 Billion in 2022 and is estimated at ~\$1.5 Trillion by 2025. The Payments landscape in India is expected to reach \$100 Trillion in transaction volume and \$50 Billion in terms of revenue by 2030. With reference to the above statement, Illustrate the future growth of fintech industries in India and Discuss the investors attitude towards fintech. **(CO : 1 Comprehension)**

## PART B (PROBLEM SOLVING)

Answer all the Questions. Each question carries 10 marks.

(3Qx 10M= 30M)

5. The rapid digitization, automation and enhancement of financial services has led to greater convenience for consumers. For instance, neobanks — banks that operate exclusively online — enable customers to complete actions like ordering credit cards and opening savings accounts online without charging the same fees as traditional institutions. Other fintech products, like digital wallets and peer-to-peer payment apps, have made it easy for people to simplify payment processes. Fewer fees and online access have made fintech a viable alternative for communities that have been traditionally underserved by the finance industry. Over 90 percent of Hispanic consumers use some kind of fintech, followed by 88 percent of Black consumers and 79 percent of Asian consumers. With reference to the above statement, Discuss the main hubs of Fintech and Highlight the Fintech Unicorns. **(CO : 1 Application)**
  
6. The global fintech market continues to show promise and is set to surpass \$882 billion by 2030. However, there have been plenty of growing pains along the way, most notably the FTX crypto exchange scandal and the Silicon Valley Bank collapse. Amid recent tensions and fears, fintech funding has slowed. But there's reason to believe a rebound is on the horizon. Despite setbacks in 2023, customer growth rates have exceeded 50 percent across various industries and regions within the global fintech industry. The prospect of further combining fintech with artificial intelligence has produced even more excitement, expanding the possibilities for what fintech could look like in the years to come. With reference to the above case, Discuss the opportunities and challenges of Global Fintech Investment. **(CO : 1 Application)**
  
7. An exit strategy is a plan on how an investor sells their stake in a startup and receives a return on their investment. The exit event generates liquidity for investors who have taken the risk of backing a young company. An exit strategy may be executed to exit a nonperforming investment or to close an unprofitable business. The purpose of the exit strategy is to limit losses. It can also be executed when an investment or business venture has met its profit objectives. An effective exit strategy should plan for every positive and negative contingency, regardless of the investment or business venture. An exit strategy is a business owner's strategic plan to sell ownership in a company to investors or another company. It outlines a process to reduce or liquidate ownership in a business and if the business is successful, make a substantial profit. With reference to the above case, Discuss the strategies for successful exit and highlight the recently noteworthy exits of fintech. **(CO : 1 Application)**

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