(6 pages)

S.No. 1391 **P 22 FM VAC 1**

(For candidates admitted from 2022–2023 onwards)

M.Com. DEGREE EXAMINATION, NOVEMBER 2022.

Financial Management — Value Added Course

DIGITAL PAYMENT SYSTEM

Time : Three hours Maximum : 75 marks

PART A — (20 marks)

Answer ALL questions.

I. (A). Multiple Choice questions: (5 × 1 = 5)

1. Micro ———— is a device for Business correspondents (BC) to deliver essential banking services to customers
   (a) Debit card
   (b) Credit card
   (c) Green card
   (d) ATM

2. Internet banking refers to
   (a) Operation of account through internet
   (b) None of the above
   (c) Opening of account through ATM
   (d) Both (a) and (b)

3. ———— cards are strongly secured by encryption through strong software such as Triple data encryption slandered.
   (a) Green (b) Debit
   (c) Credit (d) ATM

4. In ———— the Trump Administration issued a policy statement that allowed FinTech companies to apply for special purpose national bank charters from the federal Office of the Comptroller of the Currency
   (a) June 2018
   (b) December 2018
   (c) July 2018
   (d) May 2018

5. UPI ———— was launched enabling the users to link their overdraft account to a UPI handle.
   (a) 2.0 (b) 3.0
   (c) 4.0 (d) None of these

(B). Fill in the blanks: (5 × 1 = 5)

6. ———————— is a payment system that culminates numerous bank accounts into a single application allowing the transfer of money easily between any two parties.

7. 'Smart Money' is a term used for ————————

8. ———————— significantly reduces the banks' operating cost by reducing reliance on a branch network, and offers greater convenience to some customers by lessening the need to visit a branch bank as well as the convenience of being able to perform banking transactions even when branches are closed.

9. Embedded ———————— is the term for when a non-financial business integrates fintech tools into its point of service.

10. The IMPS facility is provided by NPCI through its existing ———————— network.

II. Answer the following questions. (5 × 2 = 10)

11. How do digital payments work?

12. Why is electronic banking important?

13. Write a note on electronic fund transfer.

14. How is Fintech affecting banks?

15. What is the future of UPI?

SECTION B — (5 × 5 = 25)

Answer ALL questions choosing either (a) or (b).

16. (a) What are the benefits of digital payments?

Or

(b) How does a digital payment system work?

17. (a) Distinguish between electronic banking and digital banking.

Or

(b) State the problems in electronic banking.

18. (a) Bring down the advantages of online banking.

Or

(b) What are the limitations of electronic fund transfer?

19. (a) What is FinTech and how it has impacted banking?

Or

(b) List and explain the four primary models for mobile payments.

20. (a) How the Unified Payments Interface (UPI) works?

Or

(b) What are the features and benefits of using UPI?

SECTION C — (3 × 10 = 30)

Answer any THREE questions.

21. Discuss the different types of digital payment system.

22. Explain the common electronic banking services.

23. Analyze the various features of online banking.

24. How Fintech is changing the financial industry? Explain.

25. Point out the advantages and disadvantages of digital payment system.

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