

2101286

**BACHELOR OF VOCATION**  
**Management Financial Services**  
**Subject: Introduction to Fintech**  
**Subject Code: BFS607**  
**Semester: Third**  
**January 2021**  
**Theory (External): 70 Marks**  
**Time: 03 Hours**

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**Instructions to the Students**

1. This Question paper consists of two Sections. All sections are compulsory.
2. Section A comprises 10 questions of objective type in nature. All questions are compulsory. Each question carries 2 marks.
3. Section B comprises 8 essay type questions out of which students need to do any 5. Each question carries 10 marks.
4. Read the questions carefully and write the answers in the answer sheets provided.
5. Do not write anything on the question paper.
6. Wherever necessary, the diagram drawn should be neat and properly labelled

**Roll Number**

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**SECTION –A (SHORT/OBJECTIVE TYPE QUESTIONS)**

**(10x2=20 Marks)**

- A Brief the history of FinTech?
- B State the difference between artificial intelligence & big data?
- C Describe the Fintech with examples?
- D Describe the financial regulators with reference to FinTech?
- E How integrated technology & finance create value for the business?
- F State two objectives of Wealth management?.
- G Which Bank introduced internet banking in India?  
a) Citi Bank  
b) HDFC Bank  
c) SBI Bank  
d) ICICI Bank
- H State whether the statements are True or false:  
• Fintech companies will take market share from banks  
• People are not interested in digital financial services for tax reasons
- I What is Crowdfunding with examples.
- J What is machine learning.

**SECTION –B (ESSAY TYPE QUESTIONS)**

**(5x10=50 Marks)**

- 1 State the framework of Block chain technology.
- 2 Explain about the Bitcoin. Brief about the “Banning of Cryptocurrency” in India?
- 3 Please briefly describe the regulatory framework for Fintech business operating in your jurisdiction, and the type of fintech activity that are regulated?

- 4 Explain the types and process of risk management associated with any sector in detail. Also give practical examples.
- 5 Explain cyber security and cryptography analysis in detail with examples.
- 6 Define the machine learning algorithm & Artificial neural network with real time examples?
- 7 Write about FinTech investors & Entrepreneurship essential with reference to fintech market?
- 8 Case 1

Fintech is the Future of Banking

Financial sector lacks technology products to reach every user wherever they are located. Today around 2.5 billion people (out of 7.8 billion world population) do not have access to financial services. People demand innovations from banks, higher reliability and faster services. Technology progress necessitates it from banks which do not have capabilities to drive technology changes themselves. They are too slow to react, and actually minority of banks focus on fintech innovations and take measures to implement everything into reality. It has been 10 years since fintech invaded financial institutions and services. Technology in finance has quickly turned from a privilege and excitement to a necessary state of thing. Fintech products allow people to access financial services in a secure and effective online way. Either banks will be killed with independent fintech companies (the number of fintech startups grows exponentially) or the majority of banks will deepen partnerships with fintech businesses and software development companies.

Things financial technology drastically improves:

- Consumers' satisfaction and experience
- Automation
- Use of AI to develop chatbots, visual or fingertip authentication, detect frauds and threats

These reasons explain why banks have to develop efficient strategies and invest into the future of banking technology:

- Automation and AI has become a sharp customers' need and an instrument to provide services at as more secure, fast and high-quality level than before;
- Increase consumers' trust and offer advisory services with which



people could leverage their financial literacy, save and spend wisely.

*In the last 10 years investment in the FinTech industry has exceeded \$350 billion dollars.*

More strong and innovative fintech companies appear. Competition for clients is severe, but banks can use it for their benefits and cooperate with fintech companies to develop market needed products. Some banks have already chosen such a path of development. Solutions for the future of fintech which they upgrade together with fintech sector are:

- Churn prediction
- Query routing
- Personal finance management
- Biometric authentication
- Behavioral biometrics
- Sentiment analysis
- Robo assistants
- Conversational AI
- Natural language generation
- Location intelligence

There is so much positive hype around AI and how it improves every domain. Justification for AI can be found easily and examples of how much humans manage to do with robots, smart machinery and intelligent solutions are countless.

### Questions

1. How financial technology improves customer experience?
2. “Artificial intelligence-the future of Fin-Tech”? In the light of above statement explain the importance of AI?

===END OF PAPER===