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| **ST. JOSEPH’S COLLEGE ( AUTONOMOUS), BANGALORE-27** | | | | | | |
| **BPS – IV SEMESTER**  **SEMESTER EXAMINATION: MAY 2023**  **BPS4222 :Banking for Business Process Service**  **(Examination conducted in May 2023)** | | | | | | |
| **(For current batch students only)** | | | | | | |
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| **Time- 2 hrs** | |  | **Max Marks-60** | | |  |
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| **This paper contains \_\_ printed pages and four parts** | | | | | | |

**SECTION A**

1. **Answer any FIVE (5) of the following questions each carries 3 marks [5x3=15]**
2. List three features of a fixed deposit account.
3. What is retail banking?
4. State three features of mutual funds
5. Give three advantages of Letter of Credit.
6. What is the difference between NEFT and RTGS
7. Give the meaning of Hypothecation.

**SECTION – B**

1. **Answer any TWO (2) of the following questions each carries 5 marks [2x5=10]**
2. Briefly explain the in a money laundering process .
3. Elucidate the types of cards available to customers.
4. Write a note on the principles of sound lending ?

**SECTION – C**

1. **Answer any TWO (2) of the following questions each carries 10 marks [2x10=20]**
2. What is meant by KYC ? State the various documents required for KYC and discuss its importance for banks.
3. Discuss in the detail the concept of negotiable instruments and explain its types.
4. Describe the different modes of charging securities by bankers ?

**SECTION – D**

1. **The following is a compulsory question and carries fifteen marks only [1x15=15]**

**India’s Vast Rural Areas Plug into Digital Economy**

In recent years, a government initiative called “Digital India” has helped millions plug into new digital technologies as internet access expands to distant areas. One of them is a payments system that is transforming the way retail business is transacted in vast rural areas and small towns, where more than two thirds of India’s 1.4 billion people live. Much like glitzy city stores, street vendors to small shops are making the switch to digital payments. But instead of credit or debit cards, they use India’s Unified Payment Interface popularly known as UPI. It is a payment system that involves no merchant fees and can be used for the smallest of transactions to make instant transfers across bank accounts. It was developed under the initiative of India’s Central Bank.

The impact of India’s UPI payment can been seen as a dramatic transformation in the way customers pay for their purchases in Banuri, a village in the Himachal Pradesh. Whether at a small grocery store or a street cart, instead of handing over cash, they use a simple system that involves scanning a code on a smartphone to make an online payment. “Even if someone buys only half a kilogram of vegetables, once can pay digitally. We do the smallest of transactions,” said Nishant Sharma, a vegetable vendor in Banuri. The owner of a chemist shop, Akhilesh Sharma, said about 70% of his customers pay online. “Whenever I open PhonePe or Google Pay app, all the transactions are done in my business account,” said Sharma. “In cash, I have to count the money at the end of the day, and it is a little long process. Then I have to go to bank and deposit the cash.” Economists say digital payments boost business by facilitating transactions. Small town and village residents, especially younger customers, are also discovering the benefits of going cashless.

1. How has digital payment made life convenient for people?(5 marks)
2. What are the other trends in banking that would impact consumers? (5 marks)
3. Are digital payments secure enough for the Indian economy to go cash less? Comment .

(5 marks)