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Code No. : 7556   Sub. Code : WKCE 22

M.Com. (CBCS) DEGREE EXAMINATION, APRIL 2024.

Second Semester

Commerce

Elective – DIGITAL BANKING

(For those who joined in July 2023 onwards)

Time : Three hours   Maximum : 75 marks

PART A — (15 × 1 = 15 marks)

Answer ALL questions.

Choose the correct answer :

1. Which of the following is not considered an essential component of bank computerization?

   (a) Local Area Networks (LANs)

   (b) Coin counting machines

   (c) Core banking payment systems

   (d) Microfiche

2. What does PIN stand for in electronic banking?

   (a) Personal Identification Number

   (b) Personal Information Network

   (c) Payment Information Notification

   (d) Private Internet Network

3. Which technology is commonly used to ensure the security of ATM transactions?

   (a) EMV chips   (b) RFID tags

   (c) Magnetic stripes   (d) Barcodes

4. What is the primary function of cheque truncation in online banking?

   (a) To reduce processing time for cheque clearance

   (b) To increase the security of cheque transactions

   (c) To validate the authenticity of cheques

   (d) To prevent cheque forgery

5. Which technology enables the storage and retrieval of electronic signatures in online banking?

   (a) RFID

   (b) NFC

   (c) Biometrics

   (d) Optical Character Recognition (OCR)

6. What security measure does a Personal Identification Number (PIN) provide in digital banking?

   (a) Encryption of account details

   (b) Verification of the user's identity

   (c) Generation of dynamic authentication codes

   (d) Storage of transaction history

7. Which mode of transmission is characterized by data being transmitted in both directions simultaneously?

   (a) Simplex   (b) Half-duplex

   (c) Full-duplex   (d) Multiplex

8. What is an emerging trend in communication networks for banking, focusing on faster data transmission and reduced latency?

   (a) Cloud computing   (b) 5G technology

   (c) Virtual reality   (d) Augmented reality

9. What does SWIFT stand for in the context of banking communication networks?

   (a) Secure Wireless Information and Financial Transactions

   (b) Society for Worldwide Interbank Financial Telecommunication

   (c) Swift Wireless Information for Financial Transactions

   (d) System for Worldwide Integration of Financial Transactions

10. What is a key challenge associated with the impact of IT on banks?

    (a) Reduced operational efficiency

    (b) Increased reliance on manual processes

    (c) Cyber security threats and data breaches

    (d) Limited innovation and technological advancements

11. What type of information are phishers typically trying to obtain from victims in digital banking?

    (a) Account numbers and routing numbers

    (b) Username and password credentials

    (c) Transaction history reports

    (d) Interest rates on loans

12. What is the primary objective of customer education in digital banking?

    (a) To encourage customers from using online banking platforms

    (b) To decrease customer reliance on traditional banking methods

    (c) To promote awareness about cyber security risks and best practices

    (d) To enhance customer access to financial products and services

13. Which one among the security considerations is primarily focused on in the context of banking?

   (a) Maximizing customer access to sensitive data

   (b) Enhancing the importance of cyber security measures

   (c) Delimiting the implementation of control mechanisms

   (d) Ensuring the confidentiality, integrity, and availability of data

14. What is the primary purpose of computer audits in banking?

   (a) To identify and mitigate cyber security threats

   (b) To consider potential risks and vulnerabilities

   (c) To increase customer trust in digital banking services

   (d) To enhance the availability of online banking platforms

15. What is a risk concern area for banks in terms of cyber security?

   (a) Limiting customer awareness about cyber security threats

   (b) Minimizing investment in security controls

   (c) Limiting the availability of digital banking services

   (d) Experiencing data breaches and loss of sensitive information

PART B — (5 × 4 = 20 marks)

Answer ALL questions, choosing either (a) or (b).
Each answer should not exceed 250 words.

16. (a) What is the significance of LAN and WAN in bank computerization?

   Or

   (b) Describe the importance of UPS in banking technology.

17. (a) Explain the role of PINs in digital banking.

   Or

   (b) Distinguish between Smart cards and traditional magnetic stripe cards.

18. (a) What are the different modes of transmission in Data Communication Networks?

   Or

   (b) Discuss the major networks in India in the context of Digital Banking.

19. (a) What are the emerging trends in technology developments in banking sector?

   Or

   (b) Discuss the significance of customer education initiatives in digital banking.

20. (a) What are the common types of threats to the computer systems in digital banking?

   Or

   (b) Describe the role of control mechanisms in mitigating security risks.

PART C — (5 × 8 = 40 marks)

Answer ALL questions, choosing either (a) or (b)
Each answer should not exceed 600 words.

21. (a) Explain the significance of electromagnetic cards in digital banking.

   Or

   (b) Explain the importance of signature retrieval systems in the context of digital banking.

22. (a) Explain the importance of online enquiry and facilities in digital banking. How do they contribute to customer satisfaction and retention?

   Or

   (b) Explain the benefits and challenges associated with the storage and electronic display of signatures.

23. (a) What are the key components of Data Communication network? Explain their role in initiating electronic financial transactions?

   Or

   (b) Explain the emerging trends in communication networks for digital banking.

24. (a) Explain the role of technology up gradation in modern banking.

   Or

   (b) Explain the global trends in digital banking.

25. (a) Explain the concept of risk management in information security. What are the steps involved in implementing a risk management framework in digital banking?

   Or

   (b) Explain the concept of computer audit. Discuss its significance in ensuring information security.

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