

IMSc IT (FIN) (NEP) Sem.-2 Examination

DSC-C-FIN-121T

Basics of BFSI

Time : 2-00 Hours]

May-2025

[Max. Marks : 50

Instructions:

- **Figures to the right indicate Full Marks.**
- **Do not write anything on the question paper.**
- **Simple calculator is allowed. Do not use a scientific calculator.**

Q.1 Explain the historical development of insurance from ancient time to modern practices. (10)

OR

Q.1 What is the Malhotra Committee and what were it's key recommendation for Indian Insurance sector? (10)

Q.2 Define the Payment system and explain it's importance in Financial System. (10)

OR

Q.2 Explain the Difference between Retail banking and large value Payment system. Provide with each example. (10)

Q.3 Describe the CFMS and it's purpose in Indian Financial System. (10)

OR

Q.3 Explain the Core banking system and what is the features of CBS? (10)

Q.4 Describe the role of Stock Exchanges in the Insurance Sector. How do they support growth and financial stability of insurers? (10)

OR

Q.4 Discuss the concept of Risk Mitigation in Insurance. Highlight the key steps and Strategies involved. (10)

Q.5 MCQ (10 out Of 12) (10)

1. Which of the following are examples of Foreign Banks operating in India?

A) HSBC

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- B) Citibank
- C) Axis Bank
- D) IDBI Bank

2. What is a retrocessionaire?

- A) The person who buys an insurance policy
- B) A reinsurer who takes risk from another reinsurer
- C) A regulator
- D) An agent selling policies

3. Which of the following is the main function of the Clearing Corporation of India Limited (CCIL)?

- A) Managing stock exchanges
- B) Clearing and settling interbank transactions
- C) Printing currency notes
- D) Providing loans to commercial banks

4. Which of the following is NOT a feature of CBS?

- A) Centralized database
- B) 24/7 banking services
- C) Manual processing of transactions
- D) Faster fund transfers

5. Which of the following is a component of shareholders' equity?

- A) Gross Revenue
- B) Retained Earnings
- C) Interest Payable
- D) Accounts Receivable

6. What does a family floater health insurance policy cover?

- A) Only the policyholder
- B) All family members under one sum insured
- C) Friends and neighbors
- D) Only senior citizens

7. How do stock exchanges help insurance companies?

- A) By selling insurance policies
- B) By providing loans
- C) By enabling capital raising and investment opportunities
- D) By managing claims

8. How does AI improve the credit scoring process in BFSI?

- A) By eliminating traditional credit score models
- B) By using alternative data sources for better risk assessment
- C) By focusing only on customers' credit history
- D) By reducing the loan approval process time to zero

9. How is blockchain technology transforming the BFSI sector?

- A) By providing faster and more secure cross-border transactions
- B) By increasing the need for intermediaries
- C) By making paper-based transactions more common
- D) By reducing transparency in transactions

10. How does Big Data impact stock market trading?

- A) Increases human intervention in decision-making
- B) Decreases transaction speed
- C) Enables real-time market insights through machine learning
- D) Limits access to market data

11. What is the primary role of UPI in the BFSI sector?

- A) Facilitating paper-based transactions
- B) Enabling real-time money transfers between bank accounts
- C) Providing loan disbursements
- D) Offering stock market investment services

12. What is one of the primary security features of digital wallets?

- A) Payment history records
 - B) Biometrics and tokenization
 - C) Physical cards for transactions
 - D) Cash-back offers
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