

JK LAKSHMIPAT UNIVERSITY, JAIPUR
INSTITUTE OF MANAGEMENT
End Term Examination, November 2024
B.B.A. (Banking & Fintech), Semester V, 2024-25

Roll No.....

FA1129: Banking Securities and Collection Operations

Time: 2 Hours

Max. Marks: 40

Instructions to students:

1. It is a close book and close notes exam.
 2. Do not write anything other than your roll number on the question paper.
 3. The question paper has **three sections**, A, B, and C. **Section A** has **five multiple-choice questions**, **Section B** has **five descriptive questions**, and **Section C** has a **case study**.
-

Section A

(Answer all questions. All questions carry equal marks)

- | | | |
|------|---|----------------------|
| Q. 1 | Which of the following is not included in banking collection services?
a. Collection of Cheques
b. Collection of Bill of Exchange
c. Collection of Recurring Deposits
d. Collection of Overdue Payments | 1.0 Mark
(LO1, 5) |
| Q. 2 | India Stack does not include:
a. Aadhaar
b. DigiLocker
c. UPI
d. CKYC | 1.0 Mark
(LO3, 5) |
| Q. 3 | The matching technique which matches between strings that are approximately similar:
a. Exact matching
b. Fuzzy matching
c. Delta differencing
d. Pattern matching | 1.0 Mark
(LO6) |
| Q. 4 | Who manages CKYC?
a. NPCI
b. CERSAI
c. RBI
d. SBI | 1.0 Mark
(LO1, 6) |
| Q. 5 | Which Fintech innovation offers microloans to individuals and small businesses?
a. Crowd funding
b. Crowdsourcing
c. P2P Lending
d. Cryptocurrency Mining | 1.0 Mark
(LO1, 5) |
-

Section B

(Answer all questions in 200 words each. All questions carry equal marks)

- | | | |
|-------|---|----------------------|
| Q. 6 | Define the term Dedupe. Describe the various types of dedupe methods with suitable examples. | 5.0 Marks
(LO6) |
| Q. 7 | What is money laundering? Explain the process of money laundering with a hypothetical example. | 5.0 Marks
(LO5,6) |
| Q. 8 | Define early-stage collection. Explain in detail the various strategies for early-stage collection. | 5.0 Marks
(LO6) |
| Q. 9 | What is predictive analysis in banking collections? How can linear regression be used to predict the recovery amount based on overdue days? Explain with hypothetical data. | 5.0 Marks
(LO4,6) |
| Q. 10 | What is provisioning, and why is it important in the context of NPAs? Explain in brief with a case. | 5.0 Marks
(LO4,6) |
-

Section C

(Read the case and answer the questions asked in 150 words. All questions carry equal marks)

Paytm Payments Bank Limited (PPBL), a subsidiary of One97 Communications, was launched in 2017 with the ambition of transforming India's digital banking landscape. Initially, the bank experienced significant optimism due to the growing adoption of digital payments in the country. However, it soon faced numerous challenges that hindered its growth and ultimately led to operational struggles and financial losses. Key among these challenges was regulatory scrutiny from the Reserve Bank of India (RBI), which imposed restrictions on customer onboarding due to concerns regarding compliance and data security. This regulatory action significantly impacted the bank's ability to scale its customer base, thereby increasing customer acquisition costs. Additionally, the competitive landscape became increasingly fierce, with traditional banks and other fintech startups like Google Pay and PhonePe entering the market, leading to price wars that further strained PPBL's revenue.

Furthermore, the bank's business model heavily relied on payment services without diversifying into other revenue-generating avenues, making it vulnerable to market fluctuations. The situation was compounded by a lack of customer trust, as incidents of fraud and security breaches raised concern among users, contributing to declining customer retention and acquisition. Paytm's highly anticipated IPO in November 2021, which initially aimed to raise approximately \$2.5 billion, was met with a lukewarm response and a significant drop in stock price post-listing, reflecting investor skepticism about its growth prospects. These combined factors ultimately illustrated the

complexities of operating in a highly competitive and regulated environment, leading to the struggles faced by Paytm Payments Bank.

- Q. 11 Explain in detail the key factors that contributed to the failure of Paytm Payments Bank Limited. 5.0 Marks
(LO5,6)
- Q. 12 What strategic changes could Paytm Payments Bank implement to regain market confidence and improve financial performance? 5.0 Marks
(LO5,6)
-

****End of Paper****

