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Register Number:

DATE:& Session:

**ST JOSEPH’S UNIVERSITY, BENGALURU -27**

**BBASF – IV SEMESTER**

**SEMESTER EXAMINATION: April 2024**

(Examination conducted in May / June 2024)

BASF4123– BANKING OPERATIONS

Time- 2 hrs Max Marks-60

**This paper contains \_\_2\_\_\_ printed pages and four parts**

**Part A**

**I.** Answer ***any five*** of the following (**5x2 = 10 Marks)**

1. Who is holder in Due Course.
2. What does the term "lending" mean?
3. Give meaning of Hypothecation.
4. What is meant by overdraft?
5. Mention benefits of digital wallet.
6. List any four kinds of cheques.

**Part B**

**II.** Answer ***any four*** of the following (**4x5 = 20 Marks)**

1. Highlight the functions of Bank ombudsman.
2. Explain the General relationship between banker and Customer.
3. Differentiate between Promissory note and Bills of Exchange.
4. Summarize the key highlights of the Narasimhan Committee report on Banking sector reforms.
5. Give an overview on how introduction of technology has improved the banking system.

**Part C**

**III.** Answer ***any two*** of the following (**2x10 = 20 Marks)**

1. Explain the secondary functions of commercial Banks.
2. What is endorsement? Explain the various types of endorsements.
3. Who is paying Banker? State the Statutory protection given to paying Banker.

**Part D**

**III. Answer the following (1x10=10 Marks)**

1. ABC Bank, a leading financial institution, recognized the need to modernize its payment systems and offer customers more efficient and secure ways to transfer funds. In response to evolving customer preferences and technological advancements, the bank decided to implement an Electronic Fund Transfer (EFT) system.

ABC Bank conducted a thorough market analysis to identify emerging trends in the financial services sector. The analysis revealed a growing demand for digital and instant payment solutions, driven by changing customer preferences and advancements in technology. Customers were increasingly seeking convenient, secure, and real-time fund transfer options.

The bank recognized the rapid evolution of the technological landscape and the transformative potential of modernizing its payment systems. The rise of mobile and online banking, coupled with the increasing ubiquity of smartphones, underscored the need for ABC Bank to adopt innovative solutions such as Electronic Fund Transfer to stay competitive.

In a highly competitive banking environment, ABC Bank aimed to position itself as a leader in providing cutting-edge financial services. The decision to implement EFT was informed by a strategic vision to differentiate the bank from competitors, attract a tech-savvy customer base, and solidify its reputation as an innovative financial institution.

Understanding that the success of any digital initiative hinges on meeting customer needs, ABC Bank adopted a customer-centric approach. Surveys, focus groups, and feedback mechanisms were employed to gather insights into customer expectations regarding fund transfers, leading to the prioritization of speed, accessibility, and security in the design of the EFT system.

ABC Bank made substantial investments in enhancing its security infrastructure. The EFT system incorporated state-of-the-art encryption protocols, multi-factor authentication mechanisms, and continuous monitoring to safeguard customer data and transactions against evolving cyber threats.

ABC Bank's decision to implement EFT was not solely focused on meeting current demands but was driven by a forward-looking perspective. The bank is actively monitoring emerging technologies, such as blockchain, for potential integration to enhance the security and efficiency of its EFT system.

Questions

1. How did ABC Bank assess the transformative potential of modernizing its payment systems?
2. What specific technological advancements were considered in the decision to implement EFT?