

ADMISSION NUMBER											

School of Business
Bachelor of Business Administration
Mid Term Examination - Mar 2024

Duration : 90 Minutes
Max Marks : 50

Sem VI - D1UE601T - Advanced Technology in Banking

General Instructions

Answer to the specific question asked

Draw neat, labelled diagrams wherever necessary

Approved data hand books are allowed subject to verification by the Invigilator

- 1) Examine how USSD (Unstructured Supplementary Service Data) technology operates within the framework of mobile banking and analyze its efficacy in facilitating financial transactions for users who are without internet access. K4 (4)
- 2) Explain the present trends in bank advances, branch expansion and deposit mobilization. K5 (5)
- 3) Critically evaluate the challenges and barriers hindering the widespread adoption of internet banking in developing countries K5 (5)
- 4) Identify key challenges associated with centralized banking, particularly regarding regulatory adherence, systemic risk mitigation, and the concentration of financial authority K3 (6)
- 5) ABC Bank, a mid-sized financial institution, has decided to undertake total branch computerization as part of its digital transformation initiative. The bank aims to modernize its operations, enhance customer service, and improve efficiency by implementing computerized systems across all its branches. K4 (8)
Question: As the project manager overseeing the total branch computerization initiative at ABC Bank, analyze how would you ensure the successful implementation of this project?

6) Case Study: Implementation of Advanced Banking Solutions at PBS Bank

K5 (10)

PBS Bank, a prominent financial institution, embarked on a transformative journey to embrace digital innovation and enhance its banking services to cater to the changing needs of its customers. With a focus on technological advancement and customer satisfaction, the bank introduced cutting-edge solutions aimed at improving efficiency, security, and overall banking experience.

Recognizing the potential of blockchain technology, PBS Bank integrated blockchain into its infrastructure. This integration aimed to enhance the security and transparency of transactions while simplifying processes such as fund transfers and identity verification. By leveraging blockchain, the bank sought to strengthen trust and reliability in its operations, benefiting both the bank and its valued customers.

In addition to blockchain technology, PBS Bank implemented AI-powered chatbots across its digital platforms. These chatbots provided customers with instant support, personalized recommendations, and assistance with account inquiries. By offering timely and tailored assistance, the chatbots significantly enhanced customer service and engagement, contributing to higher levels of customer satisfaction.

Furthermore, PBS Bank introduced biometric authentication methods, such as fingerprint scanning and facial recognition, for secure access to banking services through mobile apps and ATMs. This implementation not only bolstered security by eliminating the need for traditional passwords but also streamlined the login process, making banking services more convenient and user-friendly for customers.

Overall, the implementation of advanced banking solutions at PBS Bank has resulted in notable improvements in security, efficiency, and customer experience. Through these initiatives, the bank remains dedicated to innovation and excellence, striving to deliver superior banking services in the digital era.

Questions:

1. How does the integration of blockchain technology benefit PBS Bank's operations and customers?(3 marks)
2. What role did AI-powered chatbots play in enhancing customer service and engagement at PBS Bank?(3 marks)
3. How did the implementation of biometric authentication methods contribute to the convenience and security of banking services for PBS Bank customers?(4 marks)

- 7) Mary, a customer of XYZ Bank, finds herself in a challenging situation. She needs to pay her electricity bill urgently, but her internet connection is down, and she cannot access her bank's mobile app or internet banking portal. However, Mary remembers that she can use USSD to conduct banking transactions even without internet access.

Mary quickly dials the USSD code provided by XYZ Bank from her mobile phone. As she navigates through the USSD menu, she encounters a problem: the "Bill Payments" option is not responding. Mary tries several times, but the option seems to be unavailable.

Frustrated but determined, Mary decides to contact XYZ Bank's customer service for assistance. However, she discovers that the bank's customer service line is experiencing high call volumes due to a system upgrade, and she cannot get through to a representative.

Undeterred, Mary tries a different approach. She remembers seeing an alternative USSD code for emergency banking services during her previous interactions with the bank. She quickly dials the emergency USSD code and manages to access a limited menu of essential banking services, including bill payments.

Relieved, Mary selects the "Bill Payments" option from the emergency menu and proceeds to choose "Electricity Bill Payment." She enters her electricity account number and specifies the \$50 payment amount. However, just as she is about to confirm the transaction, Mary realizes that she has forgotten her PIN.

Feeling increasingly frustrated, Mary attempts to reset her PIN using the emergency USSD menu. To her dismay, the PIN reset option requires her to answer security questions that she had set up previously, but she cannot recall the answers.

At this critical moment, Mary remembers that she had set up a backup authentication method with XYZ Bank, allowing her to verify her identity using a one-time password (OTP) sent to her registered mobile number. With renewed hope, Mary selects the OTP authentication option and successfully receives a code on her phone.

Using the OTP, Mary confirms her identity and resets her PIN. She then proceeds to authenticate the electricity bill payment transaction and receives a notification confirming the successful payment.

However, Mary's challenges do not end there. Moments after completing the transaction, she receives an SMS notification from the utility company stating that there was an error processing her

payment, and her electricity supply will be disconnected if the issue is not resolved within 24 hours.

Realizing the urgency of the situation, Mary decides to visit the nearest XYZ Bank branch in person to seek assistance and resolve the payment error before facing any disruptions to her electricity supply.

Key Questions:

1.How does Mary overcome the initial challenge of the "Bill Payments" option being unavailable in the USSD menu?(6 marks)

2.Discuss alternative methods Mary employ to access essential banking services when faced with high call volumes to the bank's customer service.(6 marks)