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School of Business

Master of Business Administration MBA Dual Specialization
Mid Term Examination - Mar 2024

Duration : 90 Minutes
Max Marks : 50

Sem IV - MSB21T3001 - Financial Technologies

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) Imagine you are part of a team at a microfinance institution (MFI) tasked with designing a new program aimed at enhancing financial inclusion in a rural area with low banking penetration. The target population includes small-scale farmers, women entrepreneurs, and local artisans who traditionally lack access to formal financial services due to various barriers such as high transaction costs, lack of collateral, and geographic isolation. K5 (5)
Q1: Conclude How would you structure a microfinance program to effectively address the financial inclusion needs of this target population?
- 2) How can the principles and technologies underlying Financial Technology (FinTech) be applied to design innovative financial solutions that address current limitations within traditional banking and financial systems K3 (6)
- 3) Amidst a significant shift towards digital payments, a leading retail chain is contemplating the integration of Near Field Communication (NFC) technology and peer-to-peer (P2P) payment apps into its payment infrastructure to enhance customer convenience and streamline transactions. K4 (8)
Q1: Examine the given the varied preferences and behaviors of their customer base, how should the retail chain evaluate the implementation of these technologies? (8 marks)

- 4) In a scenario where a well-established traditional financial institution(eg: banking , insurance) is considering a strategic partnership with a FinTech startup to enhance its service offerings and innovate within the financial services industry, K3 (9)

Q1: How should the institution approach the collaboration to contribute positively to the industry's evolution? (4 Marks)

Q2: What key factors should the institution consider to ensure the partnership is successful and mutually beneficial? (5 Marks)

- 5) Imagine you are an entrepreneur with a groundbreaking idea for a sustainable technology product that has the potential to significantly reduce energy consumption in residential homes. Despite the promising concept, securing traditional funding through banks or venture capitalists has proven challenging due to the innovative nature of your project and the perceived risks by conventional investors. Intrigued by the potential of leveraging collective financial support from a wide audience, you begin to consider crowdfunding as a viable alternative to kickstart your project. Before launching a crowdfunding campaign, you realize the importance of understanding the different models of crowdfunding and their implications for your project's success. K5 (10)

Question:

Q1: As an entrepreneur investigating crowdfunding as a funding mechanism for your sustainable technology project, how would you compare and contrast the different models of crowdfunding to determine the most suitable approach for your initiative?

- 6) As a FinTech startup aiming to disrupt the traditional banking sector with innovative financial technologies, you're in the process of preparing a pitch to potential investors. Your company specializes in leveraging cutting-edge tech to enhance customer experience, improve operational efficiency, and ensure top-tier security in financial transactions. The core of your presentation is to highlight not only the innovative edge your company holds but also to address the broader landscape of challenges and opportunities that financial technology innovations present to both FinTech startups like yours and established traditional financial institutions. This context sets the stage for demonstrating your company's potential to thrive amidst these dynamics.

Q1: Considering the competitive landscape your FinTech company operates within, how do you plan to navigate the regulatory challenges that are often more rigorously applied to new financial technologies compared to traditional banking practices? Discuss your strategy to balance innovation with compliance to appeal to investors who are cautious about regulatory risks. (6 marks)

Q2: Given the rapid pace of technological advancement in financial services, what opportunities does your company see in leveraging these technologies to fill gaps left by traditional financial institutions, particularly in underserved markets? (4 marks)

Q3: How does your company intend to capitalize on these opportunities while ensuring a sustainable business model that can adapt to future technological shifts? (2 Marks)