**JAIPURIA INSTITUTE OF MANAGEMENT, INDORE**

**PGDM**

**FIFTH TRIMESTER (Batch 2020-22)**

**END TERM EXAMINATION, JAN-2022**

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| Course Name | **Banking Operations and Credit Analysis** | Course Code | **40209** |
| Max. Time | **2 hours** | Max. Marks | **40** |

**INSTRUCTIONS:**

1. All questions are mandatory.
2. This is a closed-book examination.
3. Read the paragraphs carefully before answering.
4. Answers without proper theoretical background will not fetch marks.
5. Any academic dishonesty will fetch Zero marks in the examination.
6. This question paper has three questions in two pages.

**Questions.1 (10 Marks)**

“The digitization in the banking industry started in the 90s when Automated Teller Machine (ATM) and Electronic Fund Transfers (EFT) were introduced. Then with introduction of internet access, India adopted internet banking. With adoption of internet, both by the financial services sector as well as the consumers, a slew of products were launched that brought in convenience to the consumers: National Electronic Fund Transfer (NEFT), Immediate Payment System (IMPS), RTGS, UPI.”

“Successful banks of the future will need to embrace emerging technologies, remain flexible to adopt evolving business models, and keep their customers at the core of their business existence.”

– Businessworld, Jan 14, 2022.

Which are the emerging technologies that would impact the banking industry? How these are going to transform the banking industry in terms of products and structure.

**Questions.2 (15 Marks)**

Suppose that the management of a commercial bank decide to expand its fee-income-generating services.

2 (a). Suggest any four types of business that the bank can venture into for generating fee income.

2 (b). Explain the potential advantages that the bank will have by adding these products?

2 (c). Are there risks to the bank from developing and offering such services? If yes, suggest ways to reduce such risks.

2 (d). What might happen to the size and volatility of revenue, expenses and profitability from selling fee-based financial services?

2 (e). Analyse the sustainability of non-core business in the long run profitability of banks.

**Questions.3 (15 Marks)**

Write notes on:

3 (a). Non-fund-based credit business of banks.

3 (b). Working capital financing based on Tandon Committee recommendations

3 (c). Small finance banks and payment banks

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