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| **C:\Users\ADMIN\Desktop\j.png** | **JAIPURIA INSTITUE OF MANAGEMENT, INDORE**  Post Graduate Diploma in Management (Batch 2021-23) |
| **Course Title: Fintech, (Course Code: 40241)**  **End-Term Examination, Term - VI (April, 2023)** | |
| **Time Duration : 2 Hours Total Marks: 40** | |

***General Instructions*:**

1. *Answer the questions as directed. The break-up of the marks is given wherever necessary.*
2. *The marks of each question is indicated to their right.*
3. *Answer all the questions of a ‘Section/Question’ in one place in continuation.*
4. *Do not write on the question paper except your roll number.*
5. *Its an open book, notes and internet exam. So, you can open any book and class notes. You can open any website except https://chat.openai.com , i..e. the website for chatgpt.*
6. *You will be answering in a Microsoft Document file (i.e. .docx file). All your answers have to be typed by you in this file.*

**Q1. (a)** Outline the products and services provided by Revolut, the neo bank. **[3 Marks]**

**(b)** Evaluate and identify in which of the services does Revolut use machine learning (ML) or artificial intelligence (AI). **[6 Marks]**

**(c)** You are asked to implement the model of Revolut in State Bank of India. Plan which of the services provided by Revolut can be provided by State Bank of India? **[6 Marks]**

**Q2.** Affordable healthcare continues to be a major problem in the U.S., with roughly 30 million people without comprehensive healthcare and high medical costs causing many to go into debt. Spot is tackling this issue with a digital, on-demand injury insurance product that can be as-is or as a complement to traditional health insurance.

Headquartered in Austin, the company raised $15 million in equity and $2.5 million in debt in a round of seed funding led by GreatPoint Ventures, with participation from Montage Ventures, Mutual of Omaha, MS&AD and Silverton Partners. The idea for the company came from a conversation founder Maria Goy and Matt Randall had back in 2018. Randall is married to Goy’s best friend, and one night, they started talking about Goy’s job at the time, in insurance at New York Life, and how there needed to be a product that provided affordable insurance. That led to a discussion about how to also have healthcare that was accessible.

“Every major market was disrupted by some change of distribution, like Netflix and Airbnb,” Goy told TechCrunch. “We are setting the foundation to drive change and the distribution of insurance.”

Spot’s business model takes a holistic approach by providing customized injury insurance policies through both direct-to-consumer and strategic partnerships with companies and organizations. For example, one of the company’s first partners was the Austin Marathon, selling one-time injury policies to the participants. Randall wasn‘t sure if people would buy them, but they ended up selling over 1,100 policies. That led to applying the same idea across youth sports, ski resorts and cycling organizations. It now has over a dozen partners, including USA Cycling, Powder Mountain, USA BMX, National Ski Patrol and athleteReg, and covers tens of thousands of people.

The policies start at $25 and work like a monthly subscription. Family plans are also available. Spot covers up to $20,000 each time the customer is injured. The company will also coordinate with any existing healthcare insurance. Customers can use any licensed physician, hospital or urgent care clinic. Spot has grown 800% in policies from last year and 300% in partnerships, including bringing on Mutual of Omaha. Spot is the first startup the insurance giant has invested in, and “having them alongside Maria is beyond a powerhouse team to say the least,” Randall said.

The company’s policies are available in 42 states via the DTC model and nationwide on group coverage, Goy said. The new funding round will be used to triple Spot’s team of 25, go after new partnerships and develop a go-to-market strategy. Randall also plans to raise a Series A round in the next nine months. “We are focusing on bringing additional products that fill in holes and gaps in insurance and provide more education to the market,” Goy added. “We are getting requests for alternative coverage. For example, people would rather have acupuncture instead of surgery, which is not easy for a typical policy. Ultimately, our big mission is how to create a community within our customers and drive engagement.”

As part of the investment, Mike McCormick, principal at GreatPoint Ventures, will join Spot’s board of directors. He said in an interview that his firm is on the lookout for things that make healthcare better, including companies rooted in rethinking how to keep people well. Spending much of his time in both healthcare and insurtech, McCormick wanted to find an answer to the problem of how the U.S. is spending so much money, on a per capita basis, and getting what he called “meh results.”

There are also the issues of most care being fee-for-service, and insurance for most people being attached to employment, while high deductibles have become a big feature, he said. He likes Spot because it is offering a product, for example, to someone young who is unlikely to get diabetes or cancer soon, but could incur $10,000 in medical costs breaking a leg skiing.

“What Spot is doing for the underinsured and uninsured makes sense,” McCormick added. “Maria and Matt are incredible people building an incredible company with growth and product-market fit.”

1. Deduce in which type of insurance policy Spot specializes. Illustrate the reasons for the popularity of such a policy. **[5 Marks]**
2. Compare the way Spot is conducting its business with traditional insurance giants. Identify in which services Spot uses AI and ML? **[10 Marks]**

**Q3. (a)** Outline the products and services offered by Wealthfront Inc.? **[3 Marks]**

**(b)** Compare the products and services offered by Wealthfront Inc. and SBI Capital Markets   
 Ltd. **[7 Marks]**