

318- Digital Banking

1. What is the primary advantage of digital banking?

- A) Increased paperwork
- B) Limited accessibility
- C) Convenience
- D) Higher transaction fees

Answer: C) Convenience

2. What is one significance of digital banking?

- A) Limited reach to rural areas
- B) Slow transaction speed
- C) Increased financial literacy
- D) Reduced operational costs

Answer: D) Reduced operational costs

3. What is an essential function/dimension of a digital bank?

- A) Limited customer support
- B) Enhanced security measures
- C) Manual transaction processing
- D) Minimal product offerings

Answer: B) Enhanced security measures

4. What is a key aspect of customer education for digital banking?

- A) Promoting traditional banking methods
- B) Ignoring potential risks
- C) Providing phishing links
- D) Educating on safe banking practices

Answer: D) Educating on safe banking practices

5. How does digital banking contribute to economic development?

- A) By increasing unemployment rates
- B) By reducing access to financial services
- C) By promoting financial inclusion
- D) By raising operational costs for banks

Answer: C) By promoting financial inclusion

6. Which type of ATM allows transactions for multiple banks?

- A) Proprietary ATM
- B) Brown Label ATM
- C) White Label ATM
- D) Offsite ATM

Answer: C) White Label ATM

7. What is a characteristic feature of Cash Deposit Machines (CDMs)?

- A) Limited accessibility

- B) Only accept cash deposits
- C) Cannot dispense cash
- D) No security measures

Answer: B) Only accept cash deposits

8. Which of the following is a feature of Mobile Banking?

- A) Restricted access to account information
- B) Limited transaction capabilities
- C) Diverse product features
- D) No risk management

Answer: C) Diverse product features

9. How does Internet Banking integrate with e-Commerce Merchant sites?

- A) It prohibits online transactions
- B) It enables seamless online payments
- C) It limits access to merchant sites
- D) It imposes additional fees

Answer: B) It enables seamless online payments

10. What is a crucial aspect of Back End Operations in Internet Banking?

- A) Minimal technological requirements
- B) Manual transaction processing

- C) Advanced technology integration
- D) Limited customer support

Answer: C) Advanced technology integration

11. What is a primary objective of Branchless Banking?

- A) Increased operational costs
- B) Limited accessibility
- C) Enhanced financial inclusion
- D) Reduced customer outreach

Answer: C) Enhanced financial inclusion

12. Who are the intermediaries facilitating Branchless Banking?

- A) Traditional bank branches
- B) Business Correspondents
- C) Automated Teller Machines (ATMs)
- D) Cash Deposit Machines (CDMs)

Answer: B) Business Correspondents

13. How do digital banking products contribute to Financial Inclusion?

- A) By restricting access to financial services
- B) By increasing transaction fees
- C) By providing services to unbanked populations
- D) By limiting product diversity

Answer: C) By providing services to unbanked populations

14. What is an example of a domestic payment system?

- A) Visa
- B) Mastercard
- C) Immediate Payment Service (IMPS)
- D) American Express

Answer: C) Immediate Payment Service (IMPS)

15. What is the benefit of National Unified USSD Platform (NUUP)?

- A) Restricted access to banking services
- B) Enhanced security measures
- C) Improved accessibility for non-smartphone users
- D) Limited transaction capabilities

Answer: C) Improved accessibility for non-smartphone users

16. Which system enables real-time gross settlement of funds?

- A) National Automated Clearing House (NACH)
- B) Real-Time Gross Settlement (RTGS)
- C) National Financial Switch (NFS)
- D) Cheque Truncation System (CTS)

Answer: B) Real-Time Gross Settlement (RTGS)

17. What innovative technology enables secure and transparent transactions?

- A) Artificial Intelligence
- B) Machine Learning
- C) Blockchain
- D) Big Data

Answer: C) Blockchain

18. What does AI stand for in banking?

- A) Automated Investment
- B) Artificial Intelligence
- C) Automated Integration
- D) Advanced Integration

Answer: B) Artificial Intelligence

19. What role does Machine Learning play in banking?

- A) Predicting customer behavior
- B) Manual transaction processing
- C) Limiting access to financial services
- D) Enhancing operational costs

Answer: A) Predicting customer behavior

