MANAGEMENT PROGRAMME
(BANKING AND FINANCE)
Term-End Examination

00531

December, 2014

MS-425 : ELECTRONIC BANKING AND IT IN BANKS

Time : 3 hours   *Maximum Marks : 100*

(Weightage 70%)

Note : *Attempt any **five** questions. All questions carry equal marks.*

1. Explain what impact IT will have or is already having on Business and Economy and Money to make them highly efficient, competitive and responsive to customer requirements. Illustrate with the help of simple examples.

2. Explain the MICR and OCR technologies being used by Banks in their Electronic Clearing and Settlement Systems. List out the details encoded in the lower white band of a cheque. Briefly describe the system components of MICR cheques processing system.

3. (a) "Information Systems are of paramount concern to the Banks in today's Business Environment." Discuss.

    (b) Explain the structure of a Management Information System in a Bank highlighting the information support required for decisions to be taken at the levels of Top, Middle and Lower Management.

4. What is 'System Audit Security' ? Discuss the various types of security and control measures in a computerised environment.

5. What do you understand by the term 'Data Mining' ? Explain. What is its significance in the context of Banks ? Describe the technologies that support data mining solutions as also the most commonly used techniques used in Data Mining.

6. Explain the concept of 'Electronic Money'. Describe the following models used in the context of Electronic Payment Systems :
   (a) Joint Electronic Payments Initiative (JEPI)
   (b) Secure Electronic Transaction (SET) initiative
   (c) Cyber Cash
   (d) Digicash

7. Why is computer security so important for a Bank ? Briefly describe the major types of computer security.

8. Discuss the impact of Customer Relationship Management (CRM) on an organization. Briefly explain the key performance indicators of a CRM solution.