Unit 30

Payment Systems and Electronic Banking

Omitted Parts:

30.11 CHECK YOUR PROGRESS

1. ATMs provide
   (a) round the clock service
   (b) privacy in transaction
   (c) anywhere banking facility
   (d) quick and efficient service
   (e) all of above

2. From the bank point of view the advantages of ATMs are
   (a) alternative to expand banking hours
   (b) cash handling and cash transportation is avoided
   (c) alternative to new branches
   (d) none of the above
   (e) none of these

3. PIN is
   (a) randomly generated sequence of digits
   (b) postal index number.
   (c) stored in magnetic strip of the card
   (d) (a) & (c)
   (e) none of these

4. Electronic purse may have following number of storage space
   (a) only one
   (b) two
   (c) several
   (d) no storage space
   (e) none of these

5. Cheque truncation can be done by
   (a) using MICR data
   (b) sending cheque by speed post
   (c) using image processing
   (d) (a) & (c)
   (e) none of these

6. The Credit card offers
   (a) revolving credit for certain period
   (b) payoff the entire amount of card usage
   (c) on-line recover of amount of card usage
   (d) all of above
   (e) none of these

7. The Debit card offers
   (a) revolving credit for certain period
   (b) payoff the entire amount of card usage
   (c) online recover of amount of card usage
   (d) all of above
   (e) none of these

8. The Charge card offers
   (a) revolving credit for certain period
   (b) payoff the entire amount of card usage
   (c) online recover of amount of card usage
   (d) all of above
   (e) none of these

9. Mobile Banking offers the following
   (a) Withdrawal of cash anywhere
   (b) Statement of account for a specific period
   (c) Transfer of funds from one account to another account
   (d) Balance enquiry

10. Transactions of Internet Banking exclude
    (a) Withdrawal of cash anywhere
    (b) Statement of account for a specific period.
    (c) Transfer of funds from one account to another account
    (d) Balance enquiry

30.12 ANSWERS TO 'CHECK YOUR PROGRESS'

1. (e), **2.** (d), **3.** (d), **4.** (c), **5.** (d), **6.** (a), **7.** (c), **8.** (b), **9.** (d), **10.** (a), .

30.13 KEYWORDS

Offline ATMs, Host, WAP, cheque truncation, internet banking, mobile banking, debit card, credit card.

33.11 CHECK YOUR PROGRESS

1. A typical computerised environment constitutes three interdependent but separate components.
   - (a) Software, hardware and data
   - (b) Hardware, software and UPS
   - (c) Software, modem and networking
   - (d) Software, people ware and data
   - (e) None of these

2. The risks broadly lead to:
   - (a) Incorrect decision making leading to setback to business
   - (b) Interruption in activities due to loss of data, hardware, software, people ware
   - (c) Violation of privacy
   - (d) Direct financial loss due to computer frauds
   - (e) All of these

3. The phases of disaster recovery planning are:
   - (a) Awareness
   - (b) Preparation
   - (c) Testing
   - (d) Recovery
   - (e) All of these

4. The consequences of errors in computerised systems are more serious than in manual systems because:
   - (a) Computer systems process more data
   - (b) Errors in computer systems are generated at high speed, and the cost to correct may be high
   - (c) Users of computer systems perceive the computer outputs to be always correct
   - (d) All of above
   - (e) (a) and (c)

5. Compared to a manual system, in a computer system:
   - (a) The methodologies for implementing controls change
   - (b) Basic controls objectives change
   - (c) Control objectives are more difficult to achieve
   - (d) All of above
   - (e) (a) and (b)

6. IS audit for the software used is carried out by CAATT. This type is known as:
   - (a) The audit around the computer
   - (b) The audit through the computer
   - (c) The audit with the computer
   - (d) All of above
   - (e) None of these

7. Risk prone component(s) in computerised systems are:
   - (a) Errors and omissions in data and software
   - (b) Unauthorised disclosure of confidential information
   - (c) Computer abuse and mis-utilisation of banks assets
   - (d) Frauds
   - (e) All of above

8. Effective control mechanism(s) in computerised environment are:
   - (a) Preventive
   - (b) Detective
   - (c) Corrective
   - (d) All of above
   - (e) (a) and (c)

9. Objective of IS security is to ensure;
   - (a) Confidentiality
   - (b) Integrity
   - (c) Availability
   - (d) All of above
   - (e) None of these

10. Audit trail is:
   - (a) A chronological record of all events occurring in a system is:
   - (b) Report submitted by auditors
   - (c) A collection of record generated by database administrator
   - (d) All of above
   - (e) None of these

33.12 ANSWERS TO 'CHECK YOUR PROGRESS'

1. (a), **2.** (e), **3.** (e), **4.** (d), **5.** (d), **6.** (c), **7.** (e), **8.** (d), **9.** (d), **10.** (a).

33.13 KEYWORDS

Data, Access Control Systems, Algorithm, Online, Password, Real time, Disaster.