

Assignment Questions for Unit I

Syllabus : Digital Payment Fundamentals , Modes of Digital Payment, and Security and Legal and Regulatory Framework

Topic : Digital Payment Fundamentals

1. Essay Question:

Describe and compare three different modes of digital payments, highlighting their mechanisms, advantages, and disadvantages. Additionally, discuss the importance of security measures in digital payment systems. How can businesses and individuals ensure the security of their digital transactions? Provide examples and relevant case studies to support your arguments.

(or)

2. Case Study Question:

Analyze a recent case of a security breach in a digital payment system. Describe the incident, the vulnerabilities exploited, and the consequences for the affected parties. Evaluate the security measures implemented by the payment service provider and assess their effectiveness in preventing such breaches. Based on your analysis, propose recommendations for enhancing the security of digital payment systems to mitigate similar risks in the future.

Topic : Modes of Digital Payments and Security:

Conceptual Question:

1. Explain the fundamental concepts underlying digital payments. Discuss the key components and processes involved in a typical digital payment transaction, from initiation to settlement. Illustrate your explanation with diagrams or flowcharts if necessary. Additionally, analyze the advantages and challenges of digital payments compared to traditional cash-based transactions.

(or)

2. Critical Thinking Question:

With the increasing popularity of digital payments, various technologies and platforms have emerged to facilitate transactions. Choose two different digital payment platforms (e.g., mobile wallets, online banking, cryptocurrencies) and compare their features, functionalities, and adoption rates. Assess the impact of these platforms on the financial industry and consumer behavior. Finally, discuss the potential implications of emerging technologies (such as blockchain and biometric authentication) on the future of digital payments.

Topic : Legal and Regulatory Framework

1. Research Question:

Investigate and analyze the legal and regulatory framework governing digital payments in India. Examine the roles and responsibilities of key regulatory bodies such as the Reserve Bank of India (RBI), the Ministry of Finance, and other relevant authorities. Identify and discuss the major laws, regulations, and guidelines that govern digital payments, including data protection, consumer rights, and anti-money laundering measures. Additionally, evaluate the effectiveness of the

current regulatory framework in fostering innovation and ensuring the security of digital payment systems.

(or)

2. Case Study Question:

Choose a recent regulatory update or guideline issued by the Reserve Bank of India (RBI) pertaining to digital payments. Summarize the key provisions and objectives of the guideline and discuss its implications for various stakeholders, including banks, payment service providers, merchants, and consumers. Analyze how this regulatory update aligns with the broader goals of financial inclusion, consumer protection, and promoting a cashless economy. Finally, assess the potential challenges and opportunities arising from the implementation of this guideline for the digital payments ecosystem in India.