

Dezyne École College

BBA-4th Semester

Subject: Fintech And AI

Probable University Multiple Choice Questions

UNIT I

1. What does FinTech stand for?

A) Finance Techniques

B) Financial Teaching

C) Finance and Technical

D) Financial Technology

Answer: D) Financial Technology

2. Which of the following best describes FinTech?

A) A new branch of accounting

B) Traditional banking method

C) Offline financial services

D) Integration of technology into financial services

Answer: D) Integration of technology into financial services

3. Which technology is primarily used in Robo-Advisors?

A) Blockchain

B) Artificial Intelligence

C) Virtual Reality

D) Augmented Reality

Answer: B) Artificial Intelligence

4. Which sector has been most transformed by FinTech innovations?

A) Education

B) Healthcare

C) Banking and Payments

D) Agriculture

Answer: C) Banking and Payments

5. Which of the following is NOT a FinTech company?

A) Paytm

B) Google Pay

C) Amazon

D) PhonePe

Answer: C) Amazon

6. FinTech evaluation and regulation are essential for:

A) Increasing entertainment value

B) Reducing customers

C) Avoiding digitization

D) Ensuring security and trust

Answer: D) Ensuring security and trust

7. Which of the following describes the future of AI in Robo-Advisors?

- A) Manual investment advice
- B) AI-driven personalized recommendations
- C) Only for large businesses
- D) Replacing mobile banking

Answer: B) AI-driven personalized recommendations

8. Start-ups in FinTech mainly focus on:

- A) Paper-based transactions
- B) Digital financial solutions
- C) Traditional banking
- D) Manual record keeping

Answer: B) Digital financial solutions

9. Emerging markets benefit from FinTech because of:

- A) Lack of internet access
- B) Financial inclusion and accessibility
- C) High transaction costs
- D) Limited digital users

Answer: B) Financial inclusion and accessibility

10. Which of the following is a top FinTech company?

- A) PayPal
- B) IBM
- C) Facebook
- D) Netflix

Answer: A) PayPal

11. FinTech in banks primarily helps in:

- A) Increasing manual processing
- B) Enhancing digital customer experience
- C) Reducing transparency
- D) Avoiding automation

Answer: B) Enhancing digital customer experience

12. Which technology underpins cryptocurrencies like Bitcoin?

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

Answer: B) Blockchain

13. The main users of FinTech applications include:

- A) Only banks
- B) Consumers, businesses, and financial institutions
- C) Only governments
- D) Only investors

Answer: B) Consumers, businesses, and financial institutions

14. What is one challenge in FinTech regulation?

- A) Avoiding digitalization
- B) Decreasing technology adoption
- C) Reducing competition
- D) Balancing innovation and consumer protection

Answer: D) Balancing innovation and consumer protection

15. Which of the following best defines Robo-Advisors?

- A) Human advisors working online
- B) Chatbots for social media
- C) E-commerce recommendation systems
- D) AI-based digital platforms providing investment advice

Answer: D) AI-based digital platforms providing investment advice

UNIT II

1. What is the primary goal of Robotic Process Automation (RPA)?

- A) To replace hardware systems
 - B) To automate repetitive tasks and improve efficiency
 - C) To increase human supervision
 - D) To slow down data entry
- Answer: B) To automate repetitive tasks and improve efficiency

2. Which of the following is NOT a component of RPA?

- A) Software robots
 - B) Machine learning algorithms
 - C) Workflow automation
 - D) Manual data entry
- Answer: D) Manual data entry

3. What is a key privacy issue in financial services?

- A) Public data access
 - B) Unauthorized access to customer data
 - C) System updates
 - D) Server maintenance
- Answer: B) Unauthorized access to customer data

4. What is the main use of data analytics in financial services?

- A) Limiting user transactions
 - B) Predicting market trends and customer behavior
 - C) Restricting online payments
 - D) Decreasing automation
- Answer: B) Predicting market trends and customer behavior

5. Which of the following is a common data protection technique?

- A) Encryption
 - B) Printing data
 - C) Manual transfer
 - D) Shared passwords
- Answer: A) Encryption

6. What is cyber security primarily concerned with?

- A) Data visualization
 - B) Protecting systems and data from unauthorized access
 - C) Software marketing
 - D) Cloud hosting
- Answer: B) Protecting systems and data from unauthorized access

7. Which of the following represents an AI application in finance?

- A) ATM withdrawal
 - B) Fraud detection systems
 - C) Manual ledger entry
 - D) Printing receipts
- Answer: B) Fraud detection systems

8. What does AI stand for?

- A) Automated Integration
 - B) Artificial Intelligence
 - C) Automatic Information
 - D) Applied Internet
- Answer: B) Artificial Intelligence

9. Which of the following defines AI?

- A) Human intelligence in machines
 - B) Physical automation
 - C) Data storage
 - D) Server installation
- Answer: A) Human intelligence in machines

10. What is the Bayes Rule used for?

- A) Predicting events using probability
 - B) Encrypting data
 - C) Visualizing data
 - D) Creating user interfaces
- Answer: A) Predicting events using probability

11. What does Naïve Bayes Classification assume?

- A) All features are dependent
 - B) All features are independent
 - C) No features exist
 - D) Features are randomized
- Answer: B) All features are independent

12. Which field of AI allows systems to learn from data automatically?

- A) Machine Learning
 - B) Cyber Security
 - C) Cloud Computing
 - D) Data Entry
- Answer: A) Machine Learning

13. Neural networks are inspired by which biological system?

- A) Human brain
 - B) Digestive system
 - C) Heartbeat system
 - D) Nervous system
- Answer: A)
Human brain

14. What is one implication of AI in finance?

- A) Improved fraud detection and decision making
 - B) Increased manual work
 - C) Reduced data accuracy
 - D) Decreased security
- Answer: A) Improved fraud detection and decision making

15. Which standard is commonly followed in cybersecurity practices?

- A) ISO/IEC 27001
 - B) HTML 5
 - C) CSS 3
 - D) Java SE
- Answer: A) ISO/IEC 27001

UNIT III

1. What is the main goal of digital payments?

- A) To reduce online transactions
 - B) To enable cashless and fast financial transactions
 - C) To replace traditional banking completely
 - D) To limit technology use in payments
- Answer: B) To enable cashless and fast financial transactions

2. Which of the following is an example of a digital payment system?

- A) Credit/Debit Card payments
 - B) Paper cheques
 - C) Postal money orders
 - D) Cash payments
- Answer: A) Credit/Debit Card payments

3. What is a key feature of Real Time Gross Settlement (RTGS)?

- A) Processes payments in batches
 - B) Settles transactions instantly and individually
 - C) Requires 24 hours for clearance
 - D) Works only for small value payments
- Answer: B) Settles transactions instantly and individually

4. Which of the following is the technology behind cryptocurrencies?

- A) Artificial Intelligence
 - B) Blockchain
 - C) Cloud Computing
 - D) Internet of Things
- Answer: B) Blockchain

5. Which of the following is the first cryptocurrency ever created?

- A) Ethereum
 - B) Ripple
 - C) Bitcoin
 - D) Litecoin
- Answer: C) Bitcoin

6. What is a blockchain primarily used for?

- A) Centralized data storage
- B) Decentralized and secure transaction recording
- C) Social media networking
- D) File compression

Answer: B) Decentralized and secure transaction recording

7. In blockchain, a block contains which of the following?

- A) Only user names
- B) Transaction data and timestamp
- C) Passwords
- D) Bank statements

Answer: B) Transaction data and timestamp

8. What ensures the security of transactions in blockchain technology?

- A) Manual verification
- B) Cryptographic hashing
- C) Password protection
- D) Offline storage

Answer: B) Cryptographic hashing

9. What does DFS stand for in FinTech?

- A) Digital Financial Systems
- B) Digital Financial Services
- C) Direct Fund Sources
- D) Data Flow Systems

Answer: B) Digital Financial Services

10. Why are digital financial services important for developing countries?

- A) They increase paper-based banking
- B) They promote financial inclusion and accessibility
- C) They reduce mobile phone usage
- D) They limit economic participation

Answer: B) They promote financial inclusion and accessibility

11. What does cryptocurrency mining involve?

- A) Creating new digital coins and validating transactions
- B) Printing digital currency notes
- C) Storing crypto in USB drives
- D) Transferring data manually

Answer: A) Creating new digital coins and validating transactions

12. What is one major legal challenge of cryptocurrencies?

- A) Lack of internet connectivity
- B) Absence of centralized regulation
- C) Low transaction fees
- D) Instant settlements

Answer: B) Absence of centralized regulation

13. What is RTGS primarily used for?

- A) High-value, real-time fund transfers between banks
- B) Low-value retail payments
- C) Cash withdrawals
- D) Online gaming

Answer: A) High-value, real-time fund transfers between banks

14. Which Indian initiative supports the growth of FinTech and digital payments?

- A) Digital India
- B) Make in India
- C) Green India
- D) Skill India

Answer: A) Digital India

15. Which of the following best describes FinTech in India?

- A) Use of technology to improve financial services such as payments and lending
- B) Manufacturing technology systems
- C) Data entry automation
- D) Offline transaction recording

Answer: A) Use of technology to improve financial services such as payments and lending

SET -1

1. What does FinTech primarily refer to?

- A) Technology used in agriculture
- B) Application of technology in financial services
- C) Use of finance for tech startups
- D) Software development in general

Answer: B

2. Which of the following best describes the transformation caused by FinTech in financial services?

- A) Increased manual processing
- B) Reduced transparency
- C) Digitalization and automation of finance
- D) Elimination of financial institutions

Answer: C

3. FinTech evaluation in banks primarily focuses on:

- A) Increasing physical branches
- B) Reducing cash circulation
- C) Risk management and regulatory compliance
- D) Expanding to rural areas only

Answer: C

4. Which of the following is a FinTech startup?

- A) Paytm
- B) Maruti Suzuki
- C) Tata Steel
- D) Infosys

Answer: A

5. Which technology is the backbone of most FinTech applications?

- A) Artificial Intelligence
- B) Machine Learning
- C) Cloud Computing
- D) All of the above

Answer: D

6. Who are the primary users of FinTech?

- A) Only Banks
- B) Only Startups
- C) Individuals, Businesses, and Financial Institutions
- D) Only Government

Answer: C

7. What is the key benefit of AI in Robo-advisory services?

- A) Manual data entry
- B) Automated investment advice based on algorithms
- C) Restriction of trading
- D) Human decision-making only

Answer: B

8. Which of the following is NOT a top FinTech company globally?

- A) Stripe
- B) Square
- C) Revolut
- D) Walmart

Answer: D

9. RPA stands for:

- A) Robotic Process Automation
- B) Rapid Payment Algorithm
- C) Real-time Processing Application
- D) Robotic Programmed Accounting

Answer: A

10. The main goal of RPA in finance is to:

- A) Increase manual workload
- B) Automate repetitive tasks
- C) Replace blockchain
- D) Reduce digital payments

Answer: B

11. Which of the following is a privacy issue in FinTech?

- A) Excessive data sharing without consent
- B) Increased cash use
- C) Paper-based systems
- D) Manual verification

Answer: A

12. Data analytics in financial services helps in:

- A) Predicting market trends and customer behavior
- B) Replacing bank staff
- C) Increasing paperwork
- D) Reducing cybersecurity

Answer: A

13. Which of the following represents a cybersecurity best practice?

- A) Weak passwords
- B) Regular system audits
- C) Ignoring phishing
- D) Sharing credentials

Answer: B

14. AI can be defined as:

- A) Human-like intelligence exhibited by machines
- B) Manual computation
- C) Data entry automation only
- D) Cloud-based systems

Answer: A

15. Machine Learning is a subset of:

- A) Data Mining
- B) Artificial Intelligence
- C) Robotics
- D) Automation

Answer: B

16. Bayes' Rule is used for:

- A) Predicting probabilities based on prior knowledge
- B) Sorting data
- C) Encrypting transactions
- D) Balancing accounts

Answer: A

17. Naïve Bayes classification is based on:

- A) Independence assumption of features
- B) Dependent variables
- C) Blockchain hashing
- D) RPA logic

Answer: A

18. Neural Networks in AI are inspired by:

- A) Human brain structure
- B) Blockchain architecture
- C) Financial databases
- D) Server topology

Answer: A

19. A key implication of AI in finance is:

- A) Job displacement due to automation
- B) Increased paperwork
- C) More manual checks
- D) Decreased efficiency

Answer: A

20. Digital payment innovation in India is driven by:

- A) UPI
- B) IMPS
- C) Wallets
- D) All of the above

Answer: D

21. RTGS system is mainly used for:

- A) High-value real-time settlements
- B) Low-value offline payments
- C) Credit card processing
- D) Blockchain mining

Answer: A

22. Which of these is true about blockchain?

- A) Centralized system
- B) Immutable and distributed ledger
- C) Requires intermediaries
- D) Used only by banks

Answer: B

23. Which statement best defines cryptocurrency?

- A) Digital asset secured by cryptography
- B) Government-issued currency
- C) Paper-based finance
- D) Credit system

Answer: A

24. Legal implications of cryptocurrencies include:

- A) Taxation and anti-money laundering compliance
- B) Increasing cash reserves
- C) Promoting fiat usage
- D) Banning internet banking

Answer: A

25. Developing countries adopt DFS mainly to:

- A) Increase financial inclusion
- B) Limit technology access
- C) Restrict mobile use
- D) Promote physical banking

Answer: A

26. In FinTech India, UPI stands for:

- A) Unified Payments Interface
- B) Universal Payment Indicator
- C) User Payment Input
- D) Unified Platform Integration

Answer: A

27. One disadvantage of digital currencies is:

- A) Price volatility
- B) Fast transaction
- C) Transparency
- D) Global acceptance

Answer: A

28. Blockchain applications can be found in:

- A) Supply chain, healthcare, finance
- B) Only banking
- C) Entertainment only
- D) Government offices only

Answer: A

29. The future of AI in Robo-advice is expected to:

- A) Improve decision accuracy and personalization
- B) Eliminate online trading
- C) Replace internet banking
- D) Focus only on manual consulting

Answer: A

Set 2

1. FinTech innovation is primarily driven by:

- A) Artificial Intelligence
- B) Cloud Computing
- C) Blockchain
- D) All of the above

Answer: D

2. Which of the following represents a FinTech service?

- A) Mobile Banking
- B) Internet Banking
- C) UPI Payments
- D) All of these

Answer: D

3. Emerging markets use FinTech mainly for:

- A) Enhancing financial inclusion
- B) Reducing technology use
- C) Avoiding digital records
- D) Increasing cash flow

Answer: A

4. FinTech regulation in banks focuses on:

- A) Security and Compliance
- B) Increasing interest rates
- C) Manual audits
- D) Staff recruitment

Answer: A

5. Robo-advisors primarily use:

- A) AI Algorithms
- B) Manual trading systems
- C) Blockchain miners
- D) Cash registers

Answer: A

6. Which company is a leader in FinTech?

- A) PayPal
- B) Apple
- C) Amazon
- D) Facebook

Answer: A

7. RPA bots in banking can perform:

- A) Data entry and reconciliation
- B) Strategic planning
- C) Legal consultation
- D) HR decisions

Answer: A

8. A key issue in privacy management is:

- A) Unauthorized data access
- B) Increased customer trust
- C) Reduced encryption
- D) Transparency

Answer: A

9. Data analytics supports financial services by:

- A) Improving decision-making through insights
- B) Replacing customers
- C) Reducing digital storage
- D) Limiting automation

Answer: A

10. Cybersecurity standards focus on:

- A) Protecting data from unauthorized access
- B) Storing passwords openly
- C) Avoiding encryption
- D) Limiting internet use

Answer: A

11. AI and problem-solving involve:

- A) Logical reasoning and pattern recognition
- B) Manual calculation
- C) Human-only judgment
- D) Simple statistics

Answer: A

12. Machine learning can be applied in finance for:

- A) Fraud detection and risk modeling
- B) Manual cash counting
- C) Hardware testing
- D) None of these

Answer: A

13. Bayes theorem is used to:

- A) Update probability based on evidence
- B) Encrypt blockchain
- C) Store customer data
- D) Compute taxes

Answer: A

14. Neural networks are designed to:

- A) Recognize complex data patterns
- B) Manage spreadsheets
- C) Print documents
- D) Handle manual ledgers

Answer: A

15. AI implications in FinTech include:

- A) Automation and better fraud detection
- B) Slower processes
- C) Reduced efficiency
- D) Manual audits

Answer: A

16. Blockchain-based transactions are:

- A) Decentralized and secure
- B) Centralized
- C) Private to one entity
- D) Manual

Answer: A

17. RTGS is used for:

- A) Real-time large value fund transfers
- B) Mobile recharge
- C) Bill payment only
- D) Cheque processing

Answer: A

18. Crypto-currency transactions rely on:

- A) Cryptographic verification
- B) Physical banking
- C) Central servers
- D) Manual keys

Answer: A

19. DFS in developing nations enhances:

- A) Mobile-based financial access
- B) Paper-based accounts
- C) ATM dependency
- D) Branch visits

Answer: A

20. Legal implications of crypto-assets often concern:

- A) Money laundering prevention
- B) Network traffic
- C) Hardware limits
- D) Password policies

Answer: A

21. AI in Robo advice enables:

- A) Personalized financial guidance
- B) Manual record keeping
- C) Data encryption
- D) Banking staff training

Answer: A

22. FinTech applications often rely on:

- A) APIs and Cloud computing
- B) Hardware devices
- C) Manual paperwork
- D) Legacy systems

Answer: A

23. Data protection includes:

- A) Encryption and secure storage
- B) Publicly sharing customer data
- C) Removing passwords
- D) Ignoring breaches

Answer: A

24. Cybersecurity industry best practices include:

- A) Risk assessment and penetration testing
- B) Ignoring threats
- C) Open data sharing
- D) Password reuse

Answer: A

25. AI uses Bayes rule for:

- A) Probabilistic reasoning
- B) Sorting data alphabetically
- C) Simple counting
- D) File compression

Answer: A

26. Blockchain ensures:

- A) Data immutability
- B) Central authority control
- C) Data loss
- D) Non-transparency

Answer: A

27. UPI is an innovation in:

- A) Instant digital payments
- B) Manual deposits
- C) Cheque clearance
- D) Ledger entry

Answer: A

28. A major advantage of digital payments is:

- A) Convenience and speed
- B) Higher transaction cost
- C) Paper dependency
- D) Manual processing

Answer: A

29. FinTech in India is largely regulated by:

- A) RBI
- B) TRAI
- C) IRDAI
- D) NABARD

Answer: A

30. The future of FinTech will likely include:

- A) AI-driven automation and financial inclusion
- B) Cash-only economy
- C) Reduced digital security
- D) Paper banking

Answer: A