

<b>Name:</b>	
<b>Enrolment No:</b>	

**UNIVERSITY OF PETROLEUM AND ENERGY STUDIES**  
**End Semester Examination, December 2023**

**Course: Integrated B.Com-MBA** **Semester: V**  
**Programme: Introduction to Fintech Innovations and Disruptions to Traditional Finance**

**Course Code: FINC 3061**

**Time: 03 hrs.**

**Max. Marks: 100**

**Instructions: Scientific Calculator is allowed**

**SECTION A**  
**10Qx2M=20Marks**

S. No.	Fill in the Blanks	Marks	CO
Q 1	Debt Tokens are-----	2	1
Q 2	----- is a medium of exchange, a store of value and a unit of account	2	1
Q 3	Major Parties in ICO are -----	2	1
Q4	----- is a swap of newly created tokens with liquid cryptocurrencies that enable blockchain start-ups to execute their experimental community projects	2	1
Q 5	-----refers to the use of technology to superimpose digital information or images onto the real world. AR is often considered a complement to VR, as it allows users to interact with the virtual world in a more natural and intuitive way	2	1
Q 6	-----wallets only have a few features beyond others. They allow users to develop or distribute their digital assets by receiving, storing or transferring tokens. At the same time, they can accumulate interest just like deposits work in physical banks	2	1
Q 7	ICO is not fund-raising but access to-----	2	1
Q 8	Risk Associated with ICO are -----	2	1
Q 9	Risk is defined as-----	2	1
Q 10	ICO is defined as-----	2	1

**SECTION B**  
**4Qx5M= 20 Marks**

Q 11	How Have Digital Currencies Worked Around the World?	5	2
Q 12	Comment on the advantages and disadvantages of CBDC?	5	2
Q 13	How Technologies will Shape the Finance Industry in Virtual World?	5	3

Q 14	How Major fintech innovations took place and have impacted digitalization in Financial World?	5	3
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**SECTION-C**  
**3Qx10M=30 Marks**

Q 15	How risk can be assessed in Crypto Currency Portfolio Investment in Germany and Japan. 60% investment is made in Crypto Currency of Germany and 40% investment is made in Crypto Currency of Japan	<b>10</b>	<b>3</b>																																
<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 25%;">Events</th> <th style="width: 25%;">Probability</th> <th style="width: 25%;">Return in Crypto of Germany(%)</th> <th style="width: 25%;">Return on Crypto of South Japan(%)</th> </tr> </thead> <tbody> <tr> <td>A</td> <td>0.1</td> <td>-14</td> <td>17</td> </tr> <tr> <td>B</td> <td>0.1</td> <td>20</td> <td>10</td> </tr> <tr> <td>C</td> <td>0.3</td> <td>15</td> <td>20</td> </tr> <tr> <td>D</td> <td>0.2</td> <td>10</td> <td>12</td> </tr> <tr> <td>E</td> <td>0.1</td> <td>16</td> <td>17</td> </tr> <tr> <td>F</td> <td>0.1</td> <td>18</td> <td>18</td> </tr> <tr> <td>G</td> <td>0.1</td> <td>20</td> <td>19</td> </tr> </tbody> </table>				Events	Probability	Return in Crypto of Germany(%)	Return on Crypto of South Japan(%)	A	0.1	-14	17	B	0.1	20	10	C	0.3	15	20	D	0.2	10	12	E	0.1	16	17	F	0.1	18	18	G	0.1	20	19
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Q 16	Comment on the common characteristics of FINTECH under “ CLASSIC”	10	4
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Q 17	Why cryptocurrencies are gaining traction, various socioeconomic forces drive their demand?	10	4
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**SECTION-D**  
**2Qx15M= 30 Marks**

Q 18	<p>Comment on the following with respect to ICO</p> <ol style="list-style-type: none"> <li>a. Differentiate IPO, ICO and Crowd Funding</li> <li>b. Status of ICO’s</li> <li>c. Types of Tokens</li> <li>d. Risk Associated with ICO’s</li> </ol>	15	4
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Q 19	<p>Read the Case and answer the following questions :</p> <p>Most interesting form of value transfer was created by <i>Satoshi Nakamoto (2008)</i>. Satoshi’s Bitcoin is now a well-known system of crossborder value transfer for untrusted parties without a centralised authority. Bitcoin is a medium of exchange, a store of value and a unit of account. “Bitcoin” refers to the network and technology,</p>	15	4
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while the lowercase “bitcoin(s)” refers to units of the currency. As bitcoin is the first decentralised cryptocurrency. There are still debates about whether *bitcoin and other cryptocurrencies are alternative currencies*. From 1 April 2017, bitcoin has become a legal payment system in Japan with a potential retail base of 260,000 merchants. The Chinese regulator, on the other hand, has stopped all cryptocurrency trading by unregulated exchanges at the end of September 2017. The network transactions cryptographically and in the case of bitcoin, using what is known as Proof-of-Work (PoW). The Proof-of-Work Bitcoin protocol is basically a contest for decoding and acts as an incentive to reward those who participate. The first participant to crack the code will be rewarded with the new bitcoins. A new block of transactions is formed every 10 minutes approximately. It is straightforward to create a cryptocurrency as an alternative currency or as a token for free because most of them are open source. Many altcoins are created to solve the pain points of bitcoin. There are more than 1,000 cryptocurrencies in circulation with 900 trading actively.

The user can choose to order a virtual and/or physical debit card directly within the app. As a security measurement, we allow a user to lock and unlock his card in the app. This makes our system more secure than traditional credit and debit card companies.



The user can withdraw his blockchain assets to another wallet without any fees at any time.

**Figure 2.8. Virtual Smart Cryptocurrency Card.**

*Source:* By authors; TenX.

## How do you spend them

- Need a password or 2FA
  - If you are spending through an intermediary
  - If you are using an app on your computer or smart phone
- Need a private Key
  - If you have a soft or hard wallet



**Figure 2.6. Sending and Spending Cryptocurrencies.**

*Source:* By authors.

Q 1: Briefly summarize the above case?-----7 Marks

Q 2: How do we store crypto currencies?-----8 Marks