



# DIGITAL FINANCIAL TOOLS AND APPLICATION

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# IMPORTANT QUESTIONS

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1. VPA stands for

- Virtual Payment Address.

2. BHIM means Bharat Interface for Money is a digital payment system launched on 30 Dec 2016

- True

3. UPI was started by?

- NPCI

4. How many digits in MMID?

- 7

5. When did the RTGS facility start?

- 2004

6. What is APR in Credit Card?

- Annual Percentage Rate
- 

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7. In which year the Indian rupee symbol ₹ was recognized?

- 15 July 2010 by Udaya Kumar

8. What is the size of a ₹ 500 note?

- 66mm x 150mm

9. Which bank issued the first ATM card in India?

- HSBC (Hong Kong and Shanghai Banking Corporation) in 1987

10. What is the full form of ABRs?

- Aadhaar based remittance service

11. Full form of AEPS?

- Aadhaar Enabled Payment System

12. KYC means

- Know Your Customer

13. What is the full form of UPI?

- Unified Payments Interface

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14. When did NEFT start?

- 2005

15. Full form of UIDAI?

- Unique Identification Authority of India

16. Sending money through UPI is called?

- PUSH

17. On what does the bank charge interest?

- LOAN

18. What is the full form of CVV?

- Card verification value

19. The full name of BHIM App is-

- Bharat Interface for Money

20. QR code Stands for.

- Quick Response Code

21. What is the full form of TAN?

- Tax Deduction and Collection Account

Number



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22. How many numbers are in the MICR code?

- 9

23. How many numbers can be stored in QR code?

- 7089

24. How many ALPHABET can be stored in QR code?

- 4296

25. What is the time limit for OTP?

- 10 MINUTES

26. ATM means —

- Automated Teller Machine

27. Under PMSBY, accidental death claim is available for.

- Rs. 2 lac

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28. The amount of money to be charged for a certain amount Of insurance coverage is called?

- Premium

29. Atal pension YOjna is open to Indian citizens whose age are between?

- 18-40

30. Which mobile wallet does not permit cash withdrawal?

- Semi Closed wallet

31. Which type of deposits earns higher interest rate?

- Fixed Deposits

32. Pradhan Mantri Suraksha Bima Yojana (PMSBY) was launched on —

- May 9, 2015

33. UPI payment interface Developed by

- National Payment Corporation Of India.

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### 34. Bank pays interest

- Deposits

### 35. Account payee cheques can be paid

- By deposit in Bank account

### 36. What is validity period of cheque ?

- 3 months from date Of issue

### 37. Full form of DFT is

- Digital Financial Tools

### 38. Bank does not give loan against

- Lottery Ticket

### 39. Helps in faster disposal of large number of checks in

### banking sector?

- MICR



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40. What is the full name of MMID?

- Mobile Money Identifier

41. How many digits are there in the printed number on the ATM debit card?

- 16

42. When was QR code first used?

- 1994 (Denso Wave employee named Masahiro Hara )

43. ITZ Cash is a mobile wallet authorized by which bank?

- RBI

44. How many digits are the Maestro card number?

- 19 (16+3)

45. By what other name do you know Debit or Credit Card?

- Plastic money

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46. Can one avail USSD service by dialing?

- \*99#

47. Pocket was started by which bank?

- ICICI

48. What is the full form of PAN?

- Permanent Account Number

49. What Is Meant By 'aadhaar Seeding'?

- Aadhar Linking With Bank

50. NABARD is related to?

- lending institution

51. How many numbers are there in OTP issued by the bank?

- 6

52. Where is OTP sent?

- a) on registered mobile
- b) on registered email

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53. Which of the following does not do ATM?

- Cash Deposit

**note:-**The answer is as per the previous exam pattern but in today's date we can deposit through ATM.

54. What is the full form of ABRs?

- Aadhaar based remittance service

55. When was the Reserve Bank of India nationalised?

- 1 jan 1949

56. HQ of RBI ?

- Mumbai

57. Minimum age to open saving account?

- 10 year

58. Which is first bank of India?

- Bank Of Hindustan

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**59. Founder of MOBIKWIK**

- Bipin Preet Singh and Upasana Taku

**60. Which of the following is India's first bank certified by ISO?**

- CANERA BANK

**61. First bank to introduced credit card.**

- Central Bank Of India

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## OTP [One Time Password]

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- OTP (One Time Password) is a **unique code** sent to a user's registered mobile number or email address for authentication during online transactions.



### Information related to OTP -

1. The number of OTP **issued by the bank** is 6.
2. The OTP password has a **time limit of 10 minutes**.
3. If OTP is entered wrong more than 3 times, the card is blocked for online payment.



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4. One can request to **resend** an OTP 5 times.

5. With OTP, all our accounts like Google Account, Net Banking Account, Bank Account etc. are all **safe**.



6. Through OTP we can **avoid spamming**.

7. We can enable OTP **Double Security** on our account or social media account (Facebook, WhatsApp, Twitter, Google etc.) through OTP.

8. OTP is **completely free**. The user does not have to pay any extra fee for this.

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## QR [Quick Response] Code:

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- QR (Quick Response) Code is a **two-dimensional barcode** that contains information and can be scanned using a smartphone or QR code reader.



### Information related to QR Code -

1. QR code was created by **DENSO WAVE (FOUNDER NAME:- Masahiro Hara)** in 1994.



2. A simple QR Code can store **7089 characters**.

- 
3. **4296 alphanumeric** characters can be written in the QR code.
  4. QR code can have both **Horizontal and Vertical**.
  5. Less space is required to **store information** in QR Code.
  6. The QR code can be **scanned** even if it gets dirty or torn.
  7. QR Code can also be read by Scanner from **360 Degrees**.

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## IFSC( Indian Financial System Code)

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1 1 Digit code:-

- First 4 character- represent the bank
- Fifth character - 0
- Last 6 character- represent the branch
- It is an alpha numeric code that uniquely identifies a bank branch participating in the NEFT system.



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# National Payments Corporation of India (NPCI):



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- **NPCI** is an umbrella organization for retail payments in India.

- It was established by the **Reserve Bank of India** and **Indian Banks' Association**.



Indian Banks' Association

- The primary objective is to create a **robust payment** and settlement infrastructure in the country.



- 
- NPCI conducted a **pilot project launch** with 21 member banks. The pilot project launch was on **11 April 2016** by **Dr. Raghuram G Rajan, Governor, RBI** at Mumbai.



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## UPI [Unified Payment Interface]:

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- UPI (Unified Payment Interface) is a **real-time payment system** developed by the National Payments Corporation of India (NPCI).



- UPI enables users to **link multiple bank accounts** and make instant fund transfers, pay bills, and make online purchases using a single app.

- To carry out any transaction, a user will only have to use a **virtual address** known as **virtual payment address (VPA)**
- **Per day transaction limit** is up to **1,00,000**.



## AEPS [Aadhaar Enabled Payment System]:

- AEPS (Aadhaar Enabled Payment System) is a payment service that allows customers to use their Aadhaar number and **biometric authentication** for transactions.
- AEPS enables services like **cash withdrawal, balance inquiry, and funds transfer** using Aadhaar authentication.
- It is developed by **NPCI**



- 
- This system is a bank led model which allows **online financial transactions at Point Of Sale / Micro ATM through the Business Correspondent /Bank Mitra of any bank using the Aadhaar authentication.**



- AEPS provides financial inclusion by **enabling banking services** for individuals in **remote areas.**
- AEPS **allows cash withdrawal and balance inquiry** using Aadhaar authentication.

- It **eliminates the need for physical cards**, making transactions **more convenient.**

- AEPS **promotes paperless and cardless transactions**, reducing environmental impact.



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# USSD [Unstructured Supplementary Service Data]:

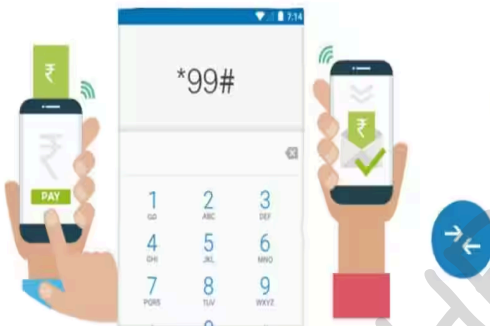
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1. **USSD (Unstructured Supplementary Service Data)** is a communication technology used by mobile service



providers to offer menu-based services to mobile phone users.

2. USSD can be used for mobile banking, checking account balance, or recharging mobile credit by dialing specific codes.



3. It works on **\*99#**

- 
4. there is **no need** to have mobile Internet data facility.
  5. It can be accessed in **12** different languages including Hindi and English as on **30 November 2016**.
  6. **Per day transaction limit**

Per day:- 5000/-

Annually:-50000/-



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## Card [Credit / Debit]:

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- It is also known as **plastic money**.
- Credit and Debit cards are financial tools that allow users to **make payments electronically**.



- **Credit cards** enable users to borrow funds from the card issuer, while **Debit cards** deduct funds directly from the user's bank account.



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<b>Aspect</b>	<b>Credit Card</b>	<b>Debit Card</b>
<b>Where Money Comes From</b>	It's like borrowing money that you promise to pay back later.	Uses money you already have in your bank account.
<b>Borrowing</b>	You can spend a certain amount, even if you don't have the money right now.	You can only spend what's in your bank account.
<b>Interest Charges</b>	If you don't pay back on time, you might have to pay extra money (interest).	No extra charges, you use only what you have.

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<b>Control Over Spending</b>	Gives you freedom to spend, but you need to be careful not to overspend.	Limits spending to what's in your bank account.
<b>Building History</b>	Your usage affects your credit score for future loans.	It doesn't affect your credit; it's like using cash.

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## eWallet:

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- **eWallet** is a digital wallet that stores financial information, such as credit or debit card details, and allows users to **make online payments securely.**



- eWallets can also **store** loyalty cards, coupons, and other digital assets.

- Various e-Wallet **payment gateway** like:-

**Paytm , Mobikwik, Oxygen wallet, Citrus wallet, Itz cash.**

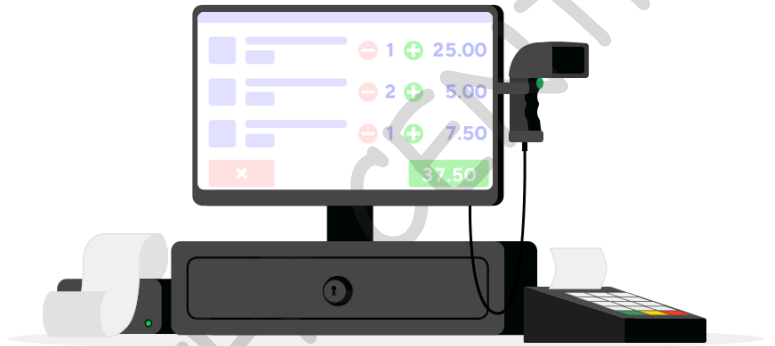


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## PoS [Point of Sale]:

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- **PoS (Point of Sale)** refers to the location or device where a customer makes a payment



for goods or services.

- PoS systems can be traditional **card swipe machines** or modern **contactless payment terminals** like **NFC-enabled devices** or **QR code scanners**.

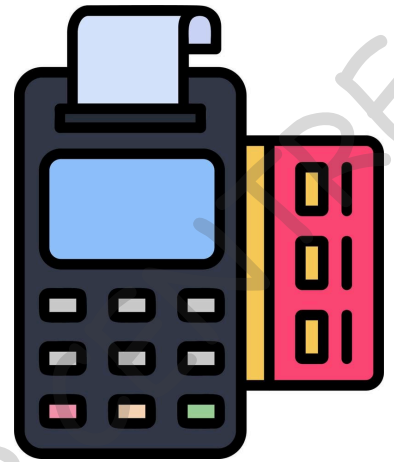


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## Component of a POS system

- Monitor Or Tablet
- Barcode Scanner
- Credit Card Reader
- Receipt Printer
- Cash Drawer
- POS Software



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# Internet Banking

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Internet banking, or E banking, means any user with a personal computer and a borrower can get connected to user bank website to perform any of the virtual banking functions.



## Features Of Internet Banking

- Greater reach to customer,
- Quicker time to market for market.
- Ability to introduce new product and services quickly and successfully,
  - Ability to understand its customer needs
  - Greater customer loyalty for bank.



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The user can do the following:-

- View Account Balance
- Download Statement
- Transfer Funds Between Account In Same Bank Or Other Banks
- Make payment or receive payment through RTGS.
- Create Fixed Deposits.
- Request For Demand Draft
- Order For Checkbook Request Debit Card
  - Refill Prepaid Mobile Card, Or Pay Postpaid Mobile Bills,
  - Make Investment,
  - Purchase Or Sale Of Securities.



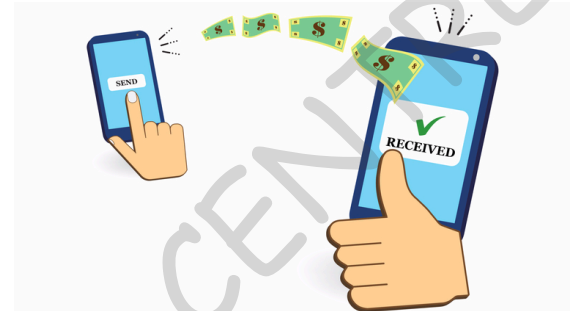


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## National Electronic Fund Transfer (NEFT):

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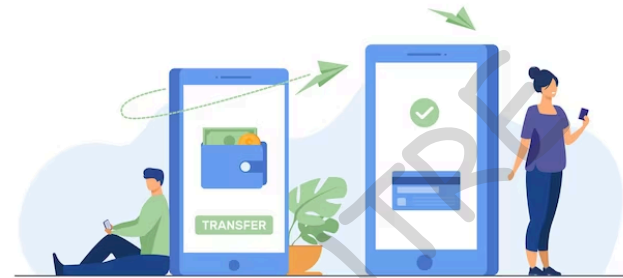
- NEFT (National Electronic Fund Transfer) is an electronic payment system in India that facilitates **interbank fund transfers** in a deferred settlement mode.
- **NEFT** operates on a **batch-wise** settlement basis, with fixed time slots during which transactions are processed.
- Started on **Nov 2005**
- There is **no minimum and maximum limit**.



- Rupees **50,000 per transaction** is maximum (as per latest update there is **no limit** )



- 
- as per RBI guidelines on **December 16 ,2019** it is available for **24/7**
  - **On 10 July 2017** ,the settlement of fund transfer request in any NEFT system done on **half hourly basis**.



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## Real Time Gross Settlement (RTGS):

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- RTGS (Real Time Gross Settlement) is a fund transfer system in India that facilitates **instant and real-time** interbank money transfers.



- RTGS transactions are processed individually and **settled on a real-time basis.**



- RTGS is available for **24/7** with effect date from **December 14, 2020**
- **Minimum amount** to be remitted through RTGS is **rs 2 lakh** with **no upper limit**

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## Immediate Payment Service (IMPS):

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- **IMPS (Immediate Payment Service)** is an instant interbank electronic **funds transfer** system in India.



- IMPS allows users to **make 24/7 fund transfers** through mobile phones, internet banking, ATMs, or designated agents.

- **IMPS limit : Rs 1 - Rs 500000.**



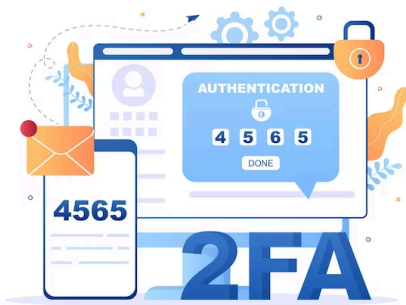
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# Tips For Safe Use Of Online Payment

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1. **Secure Passwords:** Use strong, unique passwords for online accounts to **prevent unauthorized access.**



2. **Two-Factor Authentication (2FA):** Enable **2FA** when available for an extra layer of security in your digital accounts.

3. **Verify Emails and Links:**

Double-check emails and links to avoid phishing scams; genuine sources won't ask for **sensitive information** via email.

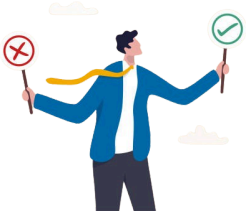


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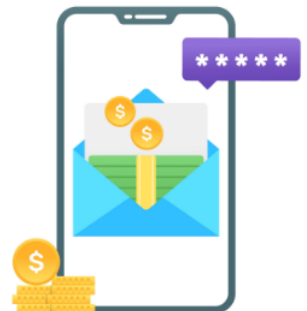
4. **Update Software:** Regularly update your devices and apps to **patch security vulnerabilities**.



5. **Be Skeptical of Unsolicited Communications:** **Avoid responding** to unexpected messages, calls, or emails asking for personal or financial details.



6. **Check Transaction Alerts:** Monitor your digital transactions and **set up alerts for any unusual activity** on your accounts.



7. **Use Trusted Platforms:** Stick to **well-known and reputable websites** and payment services for online transactions.

