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Somaiya Vidyavihar

SOMAIYA
VIDYAVIHAR UNIVERSITY

Dr. Shantilal K. Somaiya School of Commerce and Business Studies

QUESTION PAPERS

BRANCH: Master of Commerce (Business Management)	**SEM: IV**
ATKT	**JUN-2026**

Sr. No.	Subject	Available
1.	131P23C603 – Regulation of Banking (A)	
2.	131P23C603 – Regulation of Banking (B)	
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MBM (M Com)
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Semester: April 2026 **Examination: ESE Examination**			
Programme code: 23 **Programme: M.Com (Business Management)**		**Class: SY**	**Semester: IV(SVU 2024)**
Name of the Constituent College: S K Somaiya College		**Name of the department: Commerce**	
Course Code : 131P23C603	**Name of the Course: Regulation of Banking**		
Instructions: 1) Figures to the right indicate maximum marks.			

Q.No		**Particulars**	**Max Marks**	**CO**
1	a	Critically examine the challenges faced by banks in managing NPAs. Evaluate the role of the Board of Directors and suggest measures to effectively reduce NPAs.	15	1
		OR		
	b	Examine the role of KYC, AML frameworks, and UBO identification in preventing financial crimes. Evaluate the challenges faced by banks in implementation.	15	1
2	a	Critically evaluate the role of secured lending in banking. Analyse the legal and risk considerations in loans against property, receivables, and movable assets.	15	2
		OR		
	b	Briefly elucidate the SARFAESI framework as a mechanism for recovery of NPAs. Evaluate its impact on borrowers and lenders.	15	2
3		Prudent Bank Ltd., a leading private sector bank, recently reported a fraud involving approximately INR 590 crores arising from irregularities in its lending operations. Primarily, Bank employees were involved in the fraud. Preliminary findings indicated that the fraud was linked to unauthorised and irregular loan disbursements, wherein funds were	15	CO3

allegedly diverted through a network of accounts. The transactions appeared to have been executed by exploiting gaps in the bank's internal processes.

Key issues identified included:

a) Breakdown in internal controls over loan origination and disbursement
b) Inadequate verification of borrower credentials and end-use of funds
c) Possible collusion between internal staff and external parties
d) Weak monitoring of transactions post-disbursement
e) Failure of systems to flag unusual or high-value transactions

It was also observed that the bank's internal audit and risk management systems did not detect the irregularities in a timely manner, allowing the fraud to continue over a period of time.

Upon discovery, the bank reported the matter to regulatory authorities and initiated corrective actions, including strengthening controls and conducting internal investigations.

This case highlights the importance of robust operational risk management, fraud detection systems, and strong internal controls in banking operations.

Questions

1. Discuss the role of internal controls in loan disbursement and monitoring. What control gaps can be identified in this case?
2. Explain how employee collusion can undermine internal control systems. What safeguards can banks implement to mitigate such risks?
3. Suggest measures that banks should adopt to strengthen fraud detection and operational risk management framework

4

SecureTrust Bank Ltd., a large private sector bank with a strong digital presence, offers internet banking, mobile banking, and API-based integrations with fintech partners.
In early 2026, the bank experienced a significant cyber security incident, where unauthorised access was gained to certain customer accounts through a phishing and malware-based attack. The attackers were able to:

a) Compromise login credentials of multiple customers
b) Initiate unauthorised fund transfers
c) Exploit vulnerabilities in third-party integrations

		Further investigation revealed deeper concerns: a) The bank's cyber security monitoring systems failed to detect suspicious activities in real time b) There were gaps in multi-factor authentication (MFA) controls c) Incident response mechanisms were delayed and uncoordinated d) Third-party risk management was weak, particularly in relation to fintech partners e) Lack of adequate cyber resilience planning, including recovery and customer communication protocols The incident resulted in financial loss, reputational damage, and regulatory scrutiny. Customers raised concerns regarding the safety of digital banking channels. The bank subsequently undertook corrective measures, including strengthening its cyber security framework, enhancing monitoring systems, and improving incident response capabilities. This case highlights the importance of cyber security preparedness, operational resilience, and robust IT governance in banking institutions. **Questions** 1. Identify and explain any two cyber security risks evident in the case. How did they impact the bank? 2. Discuss the importance of multi-factor authentication (MFA) and real-time monitoring systems in preventing cyber frauds. 3. Examine the role of operational resilience and incident response frameworks in managing cyber incidents. What gaps are visible in this case?		

ATKT
M com (BM)
Sem - IV

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Semester: June 2026 Examination: ESE Examination		
Programme code: 23 **Programme: M.Com (Business Management)**	**Class: SY**	**Semester: IV(SVU 2024)**
Name of the Constituent College: S K Somaiya College	**Name of the department: Commerce**	
Course Code : 131P23C603	**Name of the Course: Regulation of Banking**	
Instructions: 1) Figures to the right indicate maximum marks.		

Q.No		Particulars	Max Marks	CO
1	a	Discuss the impact of non-performing assets (NPAs) on the bank's capacity to provide capital.	15	1
		OR		
	b	Evaluate the role of financial institutions in facilitating inclusive growth through capital provision	15	1
2	a	Critically evaluate the challenges faced by the Indian banking sector in channeling savings into productive investment.	15	2
		OR		
	b	Discuss the impact of non-performing assets (NPAs) on the bank's capacity to provide capital.	15	2
3		XYZ Bank, a leading private sector bank in India, faced a massive cyberattack in 2023. Hackers exploited vulnerabilities in the bank's online banking system and launched a phishing campaign targeting customers. Several account holders received fake emails and SMS alerts resembling official bank communications. These messages contained links that directed customers to a fraudulent website designed to look identical to XYZ Bank's official site. Unsuspecting customers entered their login credentials, believing they were accessing the bank's portal. Within hours, cybercriminals siphoned off crores of rupees from multiple accounts using unauthorized fund transfers. Once customers noticed unauthorized transactions, they reported them to the bank. However, by that time, a significant portion of the money was transferred through multiple accounts, making it difficult to trace. Upon investigation, the bank found that its two-factor authentication system had vulnerabilities that allowed hackers to bypass security measures. The Reserve Bank of India (RBI) intervened and instructed XYZ	15	CO4

		Bank to strengthen its cybersecurity framework. The bank was penalized for inadequate security measures and was required to refund affected customers. Additionally, the incident led to stricter cybersecurity guidelines for all banks operating in India. **Questions:** 1. What cybersecurity vulnerabilities were exploited in the XYZ Bank fraud case, and how did they impact customers? 2. What measures could banks take to prevent such cyber fraud incidents in the future? 3. Discuss the role of the Reserve Bank of India (RBI) in ensuring cybersecurity compliance among banks.		
4		ABC Bank, a well-established public sector bank, faced a major cybersecurity breach when multiple customers reported unauthorized withdrawals from their accounts. Investigations revealed that cybercriminals had installed skimming devices on ATMs in metro cities. These devices secretly copied card details when customers swiped their debit cards. Additionally, hidden cameras were installed to capture PINs. Fraudsters used the stolen data to create cloned debit cards, which they used to withdraw money from various locations. Customers who had never shared their PINs or OTPs were shocked to see their savings disappear overnight. The bank launched an internal investigation and, with the help of law enforcement agencies, identified a cybercrime gang operating internationally. The RBI intervened and asked all banks to upgrade to chip-based debit and credit cards and implement real-time transaction monitoring to detect suspicious activities. As a corrective measure, ABC Bank refunded customers, replaced all affected cards with EMV chip-enabled cards, and strengthened its ATM security policies. **Questions:** 1. How did cybercriminals steal money in the ATM card cloning scam at ABC Bank? 2. What security measures should banks implement to protect customers from such fraud? 3. Explain how RBI guidelines help in reducing ATM-related fraud cases.	15	CO3

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March April 2026 Examination: Semester Examination (PG Program)		
Programme code: 23 **Programme: M.com.** (Business Management)	**Class:** SY	**Semester:** IV
Name of the Constituent College: Dr. Shantilal K. Somaiya School of Commerce & Business studies	**Name of the Department**: Commerce	
Course Code: 231P23C40	**Name of the Course: Rural Marketing**	
Duration : 2 Hr.	**Maximum Marks : 60**	
Instructions: 1)Draw neat diagrams 2)Assume suitable data if necessary 3) Q.3, Q.4 are compulsory.		

Question No.		Max. Marks	CO
Q.1 a)	"Analyze the current Rural Marketing Environment in India. In your answer, discuss how the demographic characteristics of rural consumers- specifically the large, scattered population, the evolving occupational pattern, and rising literacy levels—influence their buying behavior and shape marketing strategies." **Or**	15	CO1
Q.1	**Scenario: "Gram-Udaan" Rural Marketing Case** **Company:** A large Fast-Moving Consumer Goods (FMCG) company. **Product:** A new, fortified, low-cost daily nutritional beverage powder. **Context:** The company wants to launch this product in the rural areas of Bihar and Uttar Pradesh, where awareness of nutrition is low, but rising income levels are increasing purchasing power. However, the market is highly fragmented, with poor infrastructure and low literacy rates. **Based on the scenario above, design an STP strategy to ensure a successful launch for "Gram-Udaan" in the rural market.**		
b)	**Segmentation:** Identify three distinct bases for segmentation that the company should use to divide the rural population.	5	CO2
c)	**Targeting:** Evaluate which segment of the rural market should be targeted first, considering factors like income (seasonal vs. stable), education, and accessibility.	5	
d)	**Positioning:** Formulate a positioning statement that differentiates this nutritional powder from traditional substitutes (like milk or tea) and justifies its value for money.	5	
Q.2	**Scenario: "Swachh-Gram" – A Health Transformation** **'Nirmal Life'**, a leading FMCG company, is launching a premium herbal handwash in a region where 70% of households traditionally use ash or mud for cleaning hands. **Population:** The region consists of 12 small, scattered hamlets with a high birth rate, meaning many young children and mothers. **Literacy:** Adult literacy is low (45%), but primary school enrollment is 95% due to a new government initiative. **Occupation:** Most residents are daily-wage labourers in stone quarries, receiving weekly cash payments.		

a)	"Analyze how the **scattered population** and **low adult literacy** levels in Swachh-Gram pose challenges for 'Nirmal Life'. Design a communication strategy that bypasses the literacy barrier and propose a pricing/packaging model that aligns with the weekly **occupational income pattern** of the consumers. **Or**	15	CO2
b)	Evaluate the effectiveness of any 5 top brands, which established a physical presence at the 2025 **Prayagraj Kumbh Mela**, influenced the consumer behavior of pilgrims, and to what extent did social, cultural, technological, lifestyle, and personality factors shape the efficacy of these on-ground activations?"	15	CO1
Q.3	**Case Scenario: The "Gramin" Strategy of *Nav-Bharat FMCG*** *Nav-Bharat FMCG* is an established Indian company with a strong presence in urban cities. However, with urban markets reaching saturation in 2024, the company aims to enter the rural heartlands of Uttar Pradesh and Bihar. Preliminary research indicates that while 70% of the population in these target areas is engaged in agriculture, there is a rising "aspirational" middle class in rural pockets due to increased government spending and digital literacy. However, the company faces significant hurdles: **Infrastructure:** 40% of the target villages have poor road connectivity, making traditional truck-based delivery impossible. **Competition:** Local "look-alike" brands (e.g., *Niv-Bharat* instead of *Nav-Bharat*) are already sold in local **Haats** (weekly markets) at 30% lower prices. **Consumer Behavior:** Rural consumers are highly price-sensitive but have shown a recent trend toward "premiumization," where they prefer better quality for special occasions. Suggest a suitable **Product Mix** (categories and packaging) and **Pricing Strategy** for *Nav-Bharat*. How can the company specifically address the challenge of 'Fake Brands' through its product strategy while pitching the product in Rural heartlands of U.P. & Bihar?	15	CO3
Q.4	**The Case Scenario: "Kisan-Shakti" Solar Solutions** *Kisan-Shakti Ltd.* is an Indian social enterprise launching a portable, solar-powered multi-purpose lantern and mobile charger designed specifically for rural households in Odisha and Bihar. **Demographics:** The target villages have a 55% literacy rate, and the primary occupation is seasonal paddy farming. **Behavior:** Consumers typically buy high-value items during harvest festivals (Cultural factors). While they understand the benefit of solar energy (Technological factors), they are wary of "new-fangled" gadgets. **The Competition:** The market is flooded with cheap, unbranded Chinese lanterns sold at local **Haats**. These "Fake/No-name Brands" often stop working after a month, leading to high skepticism among villagers. **The Hurdle:** Traditional urban retail chains do not exist in these interior regions. Compare the effectiveness of using **Haats/Mandis** versus a **Co-operative Society model** for distributing these solar lanterns. Recommend an **'Ideal Distribution Model'** that ensures the product reaches the "Last Mile" consumer effectively.	15	CO4