Q28

With reference to digital payments, consider the following statements: 1. BHIM app allows the user to transfer money to anyone with a UPI-enabled bank account. 2. While a chip-pin debit card has four factors of authentication, BHIM app has only two factors of authentication. Which of the statements given above is/are correct? (a) 1 only (b) 2 only (c) Both 1 and 2 (d) Neither 1 nor 2 Official key: A.

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Explanation

(a) Official key

(a) 1 only. **(a) Official key:** BHIM uses UPI, so money can move to any UPI-enabled bank account. Statement 2 is false: a chip-and-PIN card is typically two-factor (card plus PIN), while BHIM/UPI uses device binding plus MPIN (and often mobile/SIM factors)-it is not the case that chip-PIN has four factors and BHIM only two. Only statement 1 is correct.

(b)

(b) 2 only. The four-versus-two factor comparison is incorrect. This letter is not the key.

(c)

(c) Both 1 and 2. Statement 2 fails, so both-correct is not the key.

(d)

(d) Neither 1 nor 2. BHIM-to-UPI transfer is real, so 'neither' is not the key.

Summary

Official key is (a) 1 only. BHIM is an NPCI UPI app and can pay any UPI ID or account. The stem's authentication-count comparison is wrong. Honour the stored letter (a).

Related possible facts

These can be asked in a future Prelims paper.

BHIM

Bharat Interface for Money; NPCI UPI app

UPI

Unified Payments Interface

MPIN
Mobile banking PIN for UPI authorisation

Chip-PIN
EMV card plus personal identification number

***99#**
USSD UPI for feature phones