

# JAIIB

## Principles and Practices of Banking (PPB)

### Unified Payment Interface

# Unified Payments Interface (UPI)

- Unified Payments Interface (UPI) is a system that **powers multiple bank accounts into a single mobile application** (of any participating bank), merging several banking features, seamless fund routing & merchant payments into one hood.
- UPI enables immediate money transfer through mobile devices round the clock 24\*7 and 365 days, using a single mobile application for accessing different bank accounts.
- Authentication of transactions happens through single Click, two-factor authentications, which is strong yet seamless.
- The virtual address of the customer for Pull & Push provides for incremental security with the customer not required to enter the details such as Card no, Account number; IFSC etc.



- Bills can be paid and also be shared with friends.
- Many payments like Merchant Payments, Utility Bill Payments, Over Counter Payments, Barcode (Scan and Pay) based payments can be made using a single application. Customers can also raise complaints from Mobile App directly.
- The main stakeholders/participants of the UPI system are the Bank account holders, Merchants, Payment Service Providers (PSP), Banks and NPCI.
- Mobile Banking Registration is possible only if the mobile number (which is to be registered) is registered with the Issuer Bank for SMS Alerts/mobile alerts.
- UPI can be accessed on all platforms viz, Android/iOS

- UPI supports the following types of financial and non-financial transactions:
  - A. Financial Transactions:** Pay Request, Collect Request
  - B. Non-Financial Transactions:** UPI will support the following types of non-financial transactions
    - Mobile Banking Registration
    - Generate One Time Password (OTP)
    - Set/Change PIN
    - Check Transaction Status
    - Raise Dispute/Raise query

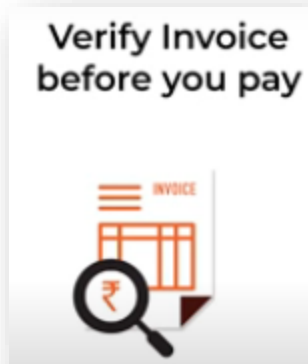
- As mentioned above, customers can send money (PUSH) and receive money (PULL) money using the UPI application. The following channels are available for transferring funds using UPI:
  - a) Virtual ID
  - b) Account Number and IFSC
  - c) Aadhaar Number.
- UPI-PIN (UPI Personal Identification Number) is a 4-6 digit pass code created during first time registration with this App.
- UPI-PIN is mandatory to authorize all bank transactions.

### **Advantages of UPI over IMPS:**

1. Provides Pull functionality to request money
2. Simplifies Merchant Payments through virtual id, QR Code
3. Single APP for money transfer
4. Facilitates transactions through single-click two-factor authentication
  - Several bank accounts can be linked to the same virtual address

# UPI 2.0

- One time mandate with block functionality
- ✓ Over-Draft (OD) account as an underlying account in UPI
- ✓ Invoice in the Inbox (View attachment & pay)
- ✓ Signed Intent & QR



# Practice Question

Q. 1

**UPI stands for**

- A. Unified Payment Interface
- B. Union Payments Interface
- C. Unified Payment Interaction
- D. Unified Paytm Interaction

**Answer: Option A**





# Practice Question

Q. 2

**Which of the following is a distinct advantage with UPI as compared to IMPS?.**

- A. UPI is a mobile-based payment system.
- B. Branches can remit up to a maximum of 2 crores using UPI.
- C. We can send a pull request to receive money
- D. We can send money using IFSC code and account number

**Answer: Option C**



# Practice Question

Q. 3

**With this feature, the consumer can pre-authorise a transaction and block the funds in his account for a debt to be initiated later.**

- A. One time mandate with block functionality
- B. Underlying OD in UPI
- C. Invoice in the Inbox
- D. Signed Intent & QR

**Answer: Option A**



# Practice Question

Q. 4

**Which of the following statement is incorrect regarding UPI?**

- A. It not available on IOS
- B. IPO cannot be applied for using UPI
- C. A user can send upto ₹2,00,000 per transaction
- D. All are incorrect

**Answer: Option D**



# Homework Question

Q. 5

**UPI supports which of the following non-financial transaction?**

- A. Mobile Banking Registration
- B. Set/change PIN
- C. Check transaction status
- D. All of the above

**Answer: Option D**



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You!*

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