

Q1. Statement I: The customer base of a retail bank can vary widely by numerous factors which include age, gender, income, lifestyle, etc. From a business perspective, banks may segment their customers by dividing them into groups based on certain key characteristics and take actions that better align with each segment.

Statement II: there are various analytical tools available in the market through which retail banks can easily capture data such as spending habits, frequency, and capacity, and then use this information to identify the most appropriate time to make a loan offer with a customized offer exclusively for them.

In the context of both statements, identify the correct statement and mark the correct option.

- (a) Both statements are true
- (b) Both statements are false
- (c) Statement I is true and statement II is false
- (d) Statement I is false and statement II is true

Q2. It is the approach of dividing a large and diverse customer base into smaller groups of related customers that are similar in certain ways and relevant to the marketing of a bank's products and services. Some basic criteria include geography, income and spending habits. Through this, banks can get to know their customers on a more personal level and offer them more tailored products and services. is often a top marketing priority for banks, and for good reason. Because its solutions help banks group customers by behavior, they can offer more tailored products and services. Moreover, by better understanding customer preferences, marketers can maximize cross and up-selling opportunities and encourage customers to explore related services. This is called

- (a) Banking Consumer Behavior
- (b) Banking Targeting
- (c) Banking Product Positioning
- (d) Banking Segmentation

Q3. Statement I: In retail banking, product is the secondary point of the marketing process. Product is the fulcrum on which the entire retail banking revolves. Everything is centered around it. The add on and the other value propositions are tagged to the products to offer better value and acceptance to the product.

Statement II: The market segmentation approach by the banks is broadly based upon its business model and priorities. The segments can be can be qualitative, such as separation by values and interests or quantitative, such as by age and gender, or income. The maximum value can be derived when banks merge both types of data to comprehend better the wants and needs of their customer segments.

In the context of both statements, identify the correct statement and mark the correct option.

- (a) Both statements are true
- (b) Both statements are false
- (c) Statement I is true and statement II is false
- (d) Statement I is false and statement II is true

Q4. Who observes that “Products are almost always combinations of the tangible and the intangible. To the potential buyer, a product is a complex cluster of value satisfactions. A customer attaches value to a product in proportion to its perceived ability to help solve his problems or meet his needs. All else is derivate”.

- (a) McCarthy
- (b) Theodore Levitt
- (c) Abraham Maslow
- (d) Peter F. Drucker

Q5. It refers to how that product moves through the marketplace from its introduction, adoption, and decline. Many products become redundant over time and lose their usefulness, leading to their replacement. Very few products have an endless lifespan. A simple product like soap has changed little since its introduction. Besides a few additions and alterations, the standard bar of household soap has proved durable against disruption. But this is not the case for technological products, which have a high ceiling for personalization according to customer requirements. For mobile banking products, consumer demand for maximum mobility and always-on services means that products are constantly moving through different stages. It also allows you to make strategic decisions around marketing, pricing, expansion into new markets, and redesign. This is known as_____.

- (a) New Product Development
- (b) Product Segmentation
- (c) Product Life Cycle
- (d) Product Positioning

Q6. Match of the following.

List I	List II
A. Introduction	1. It is the ‘staleness’ stage or ‘saturation’ stage, because of competition and better products available from the competitors, staleness will creep in, which will result in saturation of sales. Here the business and profit stagnate, customer develop a tendency of indifference to the product.
B. Growth	2. There is more growth and sales volume peaks. Here there is a wide customer base which will result in maximization of sales with inflow of business and profits.
C. Maturity	3. The sales volume of the product picks up and the product is likely to break even and start generating profits for the organization. During this period the consumer awareness of the product will be more and that will result in growth.
D. Decline	4. The sales volume will be low and revenue from the products will not be sufficient to cover the cost of producing, marketing and servicing it. In this stage it happens because it takes time for the product to occupy the minds of the customers.

- (a) A-1, B-2, C-3, D-4
- (b) A-4, B-3, C-3, D-1
- (c) A-4, B-1, C-3, D-2
- (d) A-4, B-3, C-2, D-1

Q7. These stages of product life cycle are very important for banks in product development. Banks should aim for keeping the product in this stage as long as possible, so that business and profit maximization happens continuously. And another important point is that product life cycle is different for different products. But it is not always a must that a product should travel through the product life cycle process. Some products will have an instant death immediately after introduction phase. This may happen due to wrong approach towards marketing research and consumer perceptions. This stage is called_____.

- (a) Introduction
- (b) Growth
- (c) Maturity
- (d) Decline

Q8. Identify the correct statements and mark the true option.

- A. The success of these PLC phases depends on proper approach by the marketer towards packaging strategies and repositioning strategies, so that the products stay in the maturity phase for quite a long period to occupy a permanent place in the perceptual need map of the consumers.
- B. In the banking scenario, some of the core products are Savings Bank, Current Account, Term Deposit, Recurring Deposit, Cash Credit, Overdraft, Retail Loans, Term Loan, Drafts etc. These core products are essential products and need not have a strong marketing content. These products will have a stable life in the growth stage of product life cycle, because they are indispensable for the different segments of customers.
- C. Augmented products are products which are developed from formal products by combining two core products and adding value to the product in terms of benefits and comforts to the customer. The augmented product when availed by the customer will result in some value addition to the customer.
- D. The penetration of Internet Banking and Mobile Banking has changed the concept of core and augmented products. In the present-day scenario, a core Savings Bank will include an ATM/Debit Card and a Cheque Book and augmented product will include Internet Banking, Mobile Banking and a group health or life insurance product tagged to it.

- (a) A, B, C, D
- (b) A, C, D
- (c) B, C, D
- (d) A, B

Q9. Banking Products can be classified into three categories. Identify these products on the basis of given statement and mark the correct option.

- I. Deposit Products or Liability Products: Saving Account, Current Account, Term Deposit
- II. Asset Products or Retail Credit Products: Home Loans, Auto Loans, Personal Loans, Credit Card Receivables
- III. Other Products and Services: In the fee-based services, issue of Drafts, Bank Orders/Bankers Cheques, National Electronic Funds Transfers (NEFT), Real Time Gross Settlements (RTGS), Internet, Mobile Banking, etc., are the types of services offered to the customers.
- IV. Other Products and Services: In other remittances-based services, Collection of Cheques, Safe Deposit Lockers, Standing Instructions for carrying out the instructions of the customer on a periodic basis, Merchant banking services in the area of capital market issue management in the capacity of Lead Manager, Co-Manager to the issues, etc.

- (a) I, II, III, IV
- (b) I, II
- (c) III, IV
- (d) I, III, IV



Q10. This product includes services like internet banking, ATMs, 24-hour customer service etc. These services help the banker differentiate his service offering from those of his competitors. In the pricing of banking services, determining the interest rates plays an important role, as these rates in turn determine the revenues and profits of the bank.

A discount coupon for a future purchase is an example of this product, an offer of a refund if the customer is dissatisfied. A free recipe book offered with the purchase of a kitchen appliance such as a crockpot, etc., all are examples of:

- (a) Core Product
- (b) Basic Product
- (c) Potential Product
- (d) Augmented Product

Q11. On the basis of given statement, identify the correct one and mark the correct code.

- I. Savings bank deposit is primarily meant for developing the habit of saving among the public. In addition to getting nominal interest on the balance in the account, the depositor has the freedom to withdraw the amount deposited as and when he/she desires subject to certain restrictions on the number of withdrawals.
- II. The relationship between the bank and the depositor is essentially that of “debtor and creditor” respectively. Savings bank accounts should be maintained in accordance with the Bank’s rules framed for the conduct of such accounts and also in conformity with the directives issued by the RBI from time to time.
- III. As current account deposits are a big component of CASA deposits for PSBs, Cooperative banks and major private sector banks, these accounts provide the broad retail deposit base and help banks to shore up their earnings through low-cost deposits which can be profitably deployed into high yielding advances and thereby provide better interest spread and margin.
- IV. Many banks offer sweep-in and sweep-out facility in SB accounts with minimum balance requirements, facilitating payment of interest rate applicable to term deposits.

Codes:

- (a) I, II, III
- (b) I, II, IV
- (c) II, III, IV
- (d) I, II, III, IV

Q12. “No frill” Savings bank account has been replaced by this account by RBI as per guidelines dated 10th August 2012 and accordingly banks have been advised to offer this service. This account offers various common facilities to all the customers as under:

- A. A normal banking service available to all.
- B. This account shall not have the requirement of any minimum balance.
- C. The services available in the account will include deposit and withdrawal of cash at bank branch as well as ATMs; receipt/credit of money through electronic payment channels or by means of deposit/collection of cheques drawn by Central/State Government agencies and departments.
- D. While there will be no limit on the number of deposits that can be made in a month, account holders will be allowed a maximum of four withdrawals in a month, including ATM withdrawals.

This particular account is known as:

- (a) Basic Savings Bank Deposit Account (BSBDA)
- (b) Current Account Saving Account (CASA)
- (c) Term Deposit Current Account (TDCA)
- (d) Fixed Deposit Saving Account (FDSA)

Q13. Identify the statement which is incorrect regarding small account.

- (a) If any high-risk individual customer does not possess either any of the Officially Valid Documents (OVD) as notified by Government of India or the documents applicable in respect of simplified procedure, then 'Small Accounts' may be opened for such an individual.
- (b) The aggregate of all credits in a financial year does not exceed ₹1 Lakh. Similarly, the aggregate of all withdrawals and transfers in a month does not exceed ₹10,000/ and the balance at any point of time does not exceed ₹50,000.
- (c) Small accounts are valid for a period of 12 months initially which may be extended by another 12 months if the person provides proof of having applied for an Officially Valid Document. If proper KYC documents are not submitted within the total time frame of 24 months, all transactions shall be blocked in the account.
- (d) All of the above are correct.

Q14. Identify the true characteristics of Interest rates on saving deposit accounts and mark the correct option.

- A. The rates shall be uniform across all branches and for all customers and there shall be no discrimination in the matter of interest paid on the deposits, between one deposit and another of similar amount, accepted on the same date, at any of its offices.
- B. Each bank will have to offer a uniform interest rate on savings bank deposits up to ₹1 Lakh, irrespective of the amount in the account within this limit. While calculating interest on such deposits, banks are required to apply the uniform rate set by them on end-of-day balance up to ₹1 Lakh.
- C. In view of the satisfactory level of computerization in commercial bank branches, scheduled commercial banks were advised to calculate interest on savings bank accounts on a daily product basis with effect from April 1, 2010.
- D. Accordingly, now, different banks are paying different interest rates on SB Deposits. Nowadays, most of the banks are normally paying interest on SB Deposit at quarterly rests on daily product basis. As a product innovation, few private sector banks have introduced paying interest on SB Deposit at monthly rests on daily product basis.

- (a) A, B, C
- (b) B, C, D
- (c) A, C, D
- (d) A, B, C, D

Q15. Deposits are offered to the customers as a high interest yielding product for the deposit held with the bank for a definite period with interest depending upon the period of deposit. These are different types of deposits offered by banks with facility for getting monthly/ quarterly interest as well as deposits with cumulative interest at the end of the deposit period. The second option benefits the customer because the quarterly interest accrued on the deposit is reinvested again to earn a higher yield for the depositor. Another type of these deposits is the 'Recurring Deposit' where the depositor is required to deposit fixed sums of money every month for a specific period and at the end of the period, the principal along with the accrued interest are paid back to the depositor. This kind of deposit is called_____.

- (a) Term Deposit
- (b) Fixed Deposit
- (c) Recurring Deposit
- (d) Floating Deposit



Q16. Match of the following.

List I	List II
1. Term Deposits	A. Offered to the customers as a high interest yielding product for the deposit held with the bank for a definite period with interest depending upon the period of deposit. There are different types of term deposits offered by banks with facility for getting monthly/ quarterly interest as well as deposits with cumulative interest at the end of the deposit period.
2. Basic Saving Bank Deposit	B. The services available in the account will include deposit and withdrawal of cash at bank branch as well as ATMs; receipt/credit of money through electronic payment channels or by means of deposit/ collection of cheques drawn by Central/State Government agencies and departments.
3. Combination Deposit	C. The principal aim of the bank marketer is customer need/comfort maximization and banks innovate in product development and satisfy the customer by offering a combination of two types of deposits, as a single term deposit.
4. Floating rate domestic term deposits	D. Interest rate shall be linked to a directly observable and transparent market determined external benchmark.

- (a) 1-A, 2-B, 3-C, 4-D
 (b) 1-B, 2-A, 3-C, 4-D
 (c) 1-D, 2-C, 3-B, 4-A
 (d) 1-D, 2-C, 3-A, 4-B

Q17. The KYC policy shall include following four key elements. Identify the wrong code and mark the correct option.

- I. Customer Acceptance Policy: No account is opened in anonymous or fictitious/benami name. No account is opened where the bank is unable to apply appropriate customer due diligence (CDD) measures, either due to non-cooperation of the customer or non-reliability of the documents/information furnished by the customer. No transaction or account-based relationship is undertaken without following the CDD procedure.
- II. Risk Management: The customers shall not be required to furnish an additional Officially Valid Document (OVD), if the OVD submitted by the customer for KYC contains both proof of identity and proof of address. As per RBI guidelines, the "Officially Valid document" (OVD) are enlisted as the passport, the driving license, the Voter's Identity Card issued by the Election Commission of India, job card issued by NREGA duly signed by an officer of the State Government, letter issued by the Unique Identification Authority of India containing relevant details.
- III. Customer Identification Procedures (CIP): It shall be categorized as low, medium and high category, based on the assessment and the perception of the bank. The categorization shall be undertaken based on parameters such as customer's identity, social/ financial status, nature of business activity, and information about the clients 'business and their location, etc. While considering customer's identity, the ability to confirm identity documents through online or other services offered by issuing authorities may also be factored in.

IV. Monitoring: The e-KYC service of Unique Identification Authority of India (UIDAI) shall be accepted as a valid process for KYC verification under the PML Rules, as the information containing demographic details and photographs made available from UIDAI. As a result, e-KYC process is treated as an 'Officially Valid Document', and transfer of KYC data, electronically to the bank from UIDAI, is accepted as valid process for KYC verification.

- (a) I, II
- (b) III, IV
- (c) II, III
- (d) I, IV

Q18.

Statement I: As per the provisions contained in Rule 114B, Income-tax Rules, opening an account other than a time- deposit account of not exceeding ₹1,00,000 and a Basic Savings Bank Deposit Account with a bank, requires to quote Permanent Account Number (PAN). Cash deposit with bank exceeding ₹1,00,000 also requires PAN, if the account is not seeded with PAN. Where a person, entering into any transaction referred to in this rule, is a minor and who does not have any income chargeable to income-tax, he shall quote the permanent account number of his father or mother or guardian, as the case may be, in the document pertaining to the said transaction.

Statement II: As per Prevention of Money-laundering (Maintenance of Records) Second Amendment Rules, 2017, if the person is an individual who is eligible to be enrolled for an Aadhaar number, he shall submit to the bank, (a) the Aadhaar number issued by the Unique Identification Authority of India and (b) the Permanent Account Number or Form No. 60 as defined in Income-tax Rules, 1962.

In the context of given statement, identify the correct statement and mark the correct option.

- (a) Both statements are true
- (b) Both statements are false
- (c) Statement I is true and statement II is false
- (d) Statement I is false and statement II is true

Q19. Identify the correct statement regarding the opening of Deposit Accounts.

- I. Different banks adopt different methods for opening of accounts. In most of the private and foreign banks, opening of deposit accounts is done in a centralized liability processing center. The application details and other documents are scanned and forwarded to their centralized processing centers for opening of accounts.
- II. In the partially centralized model, account opening and issue of Pass Book happen at the branch level and issue of Cheque Book and Debit Card are done through a centralized approach. In a centralized model, based on the details forwarded by the branch, end to end opening of accounts are done centrally.
- III. An important aspect of opening of accounts is the obtaining documents to verify the identity of the customer. The bank opening the account should know the background and credentials of the customer. As per the extant guidelines, e-KYC service of Unique Identification Authority of India (UIDAI) can also be accepted as a valid process for KYC verification under the PML Rules.
- IV. In case of opening of Term Deposits almost all banks do it at the branch level and issue Term Deposit Receipts at the branch itself to the customers.

- (a) I, II, III
- (b) II, III, IV
- (c) I, III, IV
- (d) I, II, III, IV

Q20. Identify the correct procedure of Customer Due Diligence (CDD) and sharing KYC information with Central KYC Records Registry (CKYCR).

- A. Scheduled Commercial Banks (SCBs) shall invariably upload the KYC data pertaining to all new individual accounts opened on or after January 1, 2017 with CERSAI in terms of the provisions of the Prevention of Money Laundering (Maintenance of Records) Rules, 2005.
- B. Government of India has authorized the Central Registry of Securitization Asset Reconstruction and Security Interest of India (CERSAI), to act as, and to perform the functions of the CKYCR.
- C. Banks shall capture the KYC information for sharing with the CKYCR in the manner mentioned in the Rules, as required by the revised KYC templates prepared for 'Individuals' and 'Legal Entities' as the case may be.

- (a) A-B-C
- (b) C-B-A
- (c) C-A-B
- (d) A-C-B

Q21. _____ is an important area for the marketer to survive and grow. Bank marketer is not an exception. The bank marketer has to constantly watch the market, gauge the changing needs of the customer, compare it with the features of the existing product range, check-up whether there is scope for developing new products and have to immediately start developing new product and market them to proactively seize the emerging, changing customer needs. The process of creating and launching a new product opens in new window, service or relaunching an existing service or product is known as _____.

- (a) Product Life Cycle
- (b) New Product Development
- (c) Product Positioning
- (d) Target market

Q22. A new product development has to pass through several important stages as shown below. Thus, in which stage, will decide whether the product is viable from the financial and marketing aspects. This will be based on a cost benefit analysis of the product from the banker's view point and the customer's viewpoint. It will also analyse the expected increase in business, and profits and also the effect on the expansion and retention of customer base. It will also analyse the expected effect on the market share and also the expected penetration of markets of the competitors.

- (a) Idea Screening
- (b) Concept Testing
- (c) Test Marketing
- (d) Business Analysis & Market Analysis

Q23. Match of the following.

List I	List II
1. Generating New Product Ideas	A. The process of bringing new products or services to market. The broader act of this is to entails production, distribution, marketing, sales, customer support, and other key functions critical to achieving the commercial success of the new product or service.
2. Idea Screening	B. This stage will decide whether the product is viable from the financial and marketing aspects. This will be based on a cost benefit analysis of the product from the banker's view point and the customer's viewpoint.
3. Concept Testing	C. The idea here is to test the product concept itself by taking the feedback from the customers about their understanding about the

	concepts of the product and whether the concepts are attractive enough for them to avail when it is launched to them.
4. Business & Market Analysis	D. Emphasis on <ul style="list-style-type: none"> • Whether there is any felt need for the new product? • Is it an improvement of the existing product? • Can the existing infrastructure handle the new product? • Is the new product in our existing line or a new line of business?
5. Commercialization	E. In some banks, new product ideas are solicited from the staff members under staff suggestion scheme and members are requested to freely vent their ideas about new products based on their exposures and experiences and feedback they receive from the customers.

- (a) 1-A, 2-B, 3-C, 4-D, 5-E
(b) 1-A, 2-B, 3-C, 4-E, 5-D
(c) 1-E, 2-D, 3-C, 4-B, 5-A
(d) 1-E, 2-C, 3-D, 4-A, 5-B

Q24. There are various constraints in New Product Development. Identify these constraints which are true and mark the correct code.

- A. Heterogeneity of the customer base in different branches is one of the external constraints. It would be very difficult to develop a new product to satisfy all the customer segments. The bank while they develop new product, has to take this constraint into account and crystallize the homogeneity among the heterogeneous group and product development had to be attempted.
- B. With the technological revolution in its peak, product obsolescence is very fast and so customer preferences would also change drastically. This would have an effect on the product life cycle of the new product which will affect the economics of the product.
- C. Sometimes the ideation stage in product development would be attractive. But it would be difficult to convert the idea as a product with business potential.
- D. Resistance from the staff for new product development with a view that new products would increase their work load or result in staff pruning/relocation.

Codes:

- (a) A, B, C, D
(b) A, C, D
(c) A, D
(d) C, D

Q25. The product has been undergoing rapid changes over the period based on the changing needs of the customer and the marketer constantly upgrading the product and enriching the product.

According to Theodore Levitt, product, over a period, evolved on the several lines.

This type of products is the result of voluntary improvements brought about by the marketers, in order to enhance the value of the product. These improvements are neither suggested by the customer nor even expected by them. The bank marketer on his own, augments the product by adding an extra facility or an extra feature to the product. For example, some banks, as a part of their Savings Bank Account, offers the facility of collecting the cheques of the customer at their doorsteps and offers free collection of cheques. Now banks offer the facility of operating the customer's Savings Bank Account not only from the branch where the customer is maintaining the account but also from any of their branches in India.

According to Levitt what type of product is this as per given statement?

- (a) Generic Product
(b) Expected Product
(c) Augmented Product
(d) Potential Product

Q26. Match of the following.

List I	List II
1. Basic Product	A. This product is an unbranded and undifferentiated commodity like rice, wheat, bread and cloth. It is a core product. In the banking scenario, some examples are Savings Bank Account, Current Account, Term Deposits, Drafts, etc. These are core products in banking. The products get an identity through a 'name' given to a deposit as 'Reinvestment Deposit' to give an identity to the product.
2. Expected Product	B. It represents the customer's minimal purchase condition and what the customer expects from the product. For satisfying this, the banker when structuring the product will make these hopes as a part of product structuring and will try to differentiate the product to enjoy the distinction from other similar products.
3. Augmented Product	C. These products are the result of voluntary improvements brought about by the marketers, in order to enhance the value of the product. These improvements are neither suggested by the customer nor even expected by them.
4. Potential Product	D. It may be developed based on suggestions, new ideas, redesigning of existing products. In short potential product is tomorrow's product with enormous scope for improvements in the changed competitive scenario.

- (a) 1-A, 2-B, 3-C, 4-D,
 (b) 1-A, 2-B, 3-C, 4-E,
 (c) 1-E, 2-D, 3-C, 4-B,
 (d) 1-E, 2-C, 3-D, 4-A,

Q27. It starts with the understanding or 'mapping' of a prospective/existing customer's mental perception of products. The customer's mind would be occupied with the different products/services of different banks based on the following positioning grid. Customer's mental perception of the products of the banks mainly occupies different positions in their mind, based on the return and liquidity aspects of the deposit. The period of occupation of these products in the mental perception of the customer again is there for a short period depending on the effectiveness of the product. The strategy of the bank marketer should therefore be to create a perception of their product in the customer's mind so that it stands apart from competing bank's products and approximates much more closely, to what the consumers want. This strategy is known as_____.

- (a) Product Segmentation
 (b) Product Target Group
 (c) Product Positioning
 (d) None of the above

Q28. Statement I: The differentiation strategies are adopted by differentiating their features, benefits and satisfaction level by doing some value addition to the product. For achieving this, a tool available for bank marketers is to highlight the USP of the product. USP is nothing but 'Unique Selling Proposition' of the product. Unique Selling Proposition is the specific feature available with the particular product.

Statement II: Product policy is one of the main tasks in product management. The marketer should decide what exactly the products to be offered to different segments are. Again, if the customer base is fairly very large, the product line should be based on the homogenous needs of the heterogeneous customer base and customer segments. Otherwise, it will result in unwieldy product range.

In the context of given statement, identify the correct statement and mark the correct option.

- (a) Both statements are true
 (b) Both statements are false
 (c) Statement I is true and statement II is false
 (d) Statement I is false and statement II is true

Q29. It is the statistical analysis of a person's past credit dealings and represents his or her particular discipline. This assessed is based on the dealings in credit products like home loans, auto loans, credit cards, personal loans and overdrafts. It can be generated by credit institutions and even by self. Reserve Bank of India (RBI) has made it mandatory for all Credit Information Companies (CICs) in the country to give a Free Full Credit Report (FFCR) without any charge, on request, once a calendar year to individuals whose credit history is available. This rule has come into force from 1 January 2017.

This statistical analysis is called_____

- (a) Credit Monitoring
- (b) Credit Score
- (c) Credit Conditioning
- (d) Credit Reimbursement

Q30. Statement I: A credit score takes a 'snapshot' of a consumer's credit report and through advanced analytics turns the information into a 3-digit number representing the amount of risk he brings to a particular transaction. Credit score values range from 300 to 750.

Statement II: RBI has directed to ensure that the CIR in respect of a borrower, furnished to the Credit Institutions, incorporates all the credit information available in all modules, e.g., consumer, commercial, etc., in respect of the borrower.

In the context of both statements, identify the correct statement and mark the correct option.

- (e) Both statements are true
- (f) Both statements are false
- (g) Statement I is true and statement II is false
- (h) Statement I is false and statement II is true

Q31. IMPS is an emphatic tool to transfer money instantly within banks across India through mobile, internet and ATM which is not safe but also economical both in financial and non- financial perspectives. What are the correct objectives of IMPS?

1. To enable bank customers to use mobile instruments as a channel for accessing their banks accounts and remit funds.
2. Making payment simpler just with the mobile number of the beneficiary
3. To sub-serve the goal of Reserve Bank of India (RBI) in digitization of retail payments.
4. To facilitates mobile payment systems already introduced in India with the Reserve Bank of India Mobile Payment Guidelines 2008 to be inter-operable across banks and mobile operators in a safe and secured manner.
5. To build the foundation for a full range of mobile based banking services. IMPS offers three options in which one can transfer funds.

Choose the correct option:

- (a) 1, 2, 3, 4, 5
- (b) 1, 3, 5, 6
- (c) 2, 4, 6, 8
- (d) 1, 3, 5, 7



Q32. Match the following:

List I	List II
A. Immediate payment Service	1. It is a unique mobile application-based payment solution, as the recipient is empowered to initiate the payment request from a smart phone. It facilitates virtual address as a payment identifier for sending and collecting money and works on single click 2-factor authentication.
B. Unified Payments Interface	2. NCPI has developed this to facilitate UPI transactions by feature phone users without internet connection and the product was launched on 8th March 2022, by Shri Shaktikanta Das, Governor, Reserve Bank of India.
C. BHIM	3. It is an emphatic tool to transfer money instantly within banks across India through mobile, internet and ATM which is not only safe but also economical both in financial and non-financial perspectives. This facility is provided by NPCI through its existing NFS switch.
D. UPI 123PAY	4. It is a UPI based payment interface which allows real time fund transfer using a single identity. The easiest way to think of UPI is that it is a payment method to transfer money between two parties.

- (a) A-1, B-2, C-3, D-4
 (b) A-2, B-4, C-3, D-1
 (c) A-1, B-3, C-4, D-2
 (d) A-3, B-1, C-4, D-2

Q33. An interface between merchants and consumers for secured internet payment using Credit/Debit Cards/internet banking. It provides an easy and secure mechanism to merchants for processing online payments by shielding them from underlying complexity of payment transactions and integration with electronic fund transfer switches. Payments made through this way are fully secured with the latest industry/security standards mandated by Visa/Master Card/RuPay Card

- (a) Mobile Banking
 (b) Internet Payment Gateway
 (c) Bharat Interface for Money
 (d) Unified Payment Interface.

Q34. Which of the following is not correct about the Harmonization of Turn Around Time (TAT) and Customer Compensation for failed transactions using Authorized Payment Systems?

- (a) Reserve Bank has put in place a framework on Turn Around Time (TAT) for resolution of customer complaints and compensation across all authorized payment systems to built-in customer confidence and bring in uniformity in processing of the failed transactions.
 (b) It may be noted that the prescribed TAT is the outer limit for resolution of failed transactions.
 (c) It may be noted that the banks and other operators/system participants endeavor towards quicker resolution of such failed transactions.
 (d) Customers who do not get the benefit of redressal of the failure as defined in the TAT, cannot register a complaint with the Reserve Bank- Integrated Ombudsman Scheme, 2021.

Q35. Statement 1: The concept of people in retail banking has undergone dramatic changes in the past decade especially in public sector banks.

Statement 2: The concept of Direct Selling Agents (DSAs) was pioneered by foreign banks and nurtured well by new generation private sector banks. DSAs are agencies appointed by banks to source business for them on a fee basis.

Statement 3: Through DSAs, private banks were able to achieve Doorstep Banking in a big way as DSAs reach the customers for sourcing retail assets and other banking products. Private bankers implement sufficient checks and balances to keep DSAs under check.

Statement 4: Reputation Risk is always a threatening factor in the DSA model as the field personnel deployed by the DSAs for sourcing business try to make some false promises in the Turn Around Time (TAT) in retail asset processing and issue of credit cards.

Choose the correct statement:

- (a) Statement 1 is false
- (b) Statement 3 is true
- (c) All the statements are true.
- (d) All the statements are false.

Q36. Match the following List I (Marketing mix factors) to List II (Its features):

List I	List II
A. Co-Lending Model	1. A remitter can initiate IMPS transaction using the beneficiary's Aadhaar number, which acts as a financial address & which will be linked to the beneficiary's account number.
B. *99# Service	2. A new scheme under which banks are permitted to co-lend with all RBI registered NBFCs including Housing Finance Companies (HFC) based on prior agreement.
C. Aadhaar Based Remittance Service (ABRS)	3. Transactions up to 5000/- can be facilitated by banks without end-to-end encryption. The risk aspects involved in such transactions may be addressed by the banks through adequate security measures.
D. Mobile Banking Security Standards	4. Banking customers can avail this service by dialing this service, a "Common number across all Telecom Service Providers (TSPs)" on their mobile phone and transact through an interactive menu displayed on the mobile screen.

- (a) A-1, B-2, C-3, D-4
- (b) A-2, B-4, C-3, D-1
- (c) A-1, B-3, C-4, D-2
- (d) A-3, B-1, C-4, D-2

Q37. In retail banking delivery, staff members of the branch play a very crucial role in the entire delivery process. For efficient service delivery, staff should possess the following characteristics?

1. Understanding the customer, his income level, his financial profile, his needs, his requirements of financial products and his life stage.
2. Cross selling the right products to match their requirements.
3. Post sales service follow up for customer satisfaction.
4. Putting yourself in the shoes of the customer and looking the service level from customer' perspective.
5. Understanding the product features and service prescriptions and conviction about the bank's products services for right selling and better product and service delivery.
6. Attitude for customer service and the concept of team in customer delivery.

Select the correct option:

- (a) 2, 3 and 4 only
- (b) 4, 5 and 6 only
- (c) 1, 2, 3, 4, 5, 6
- (d) All these statements are incorrect

Q38. Which of the following statements are incorrect?

Statement 1: A primary objective of CRM is to provide the entire organization with a complete, 360 – degree view of the customer, no matter where the information resides or where the customer touch point occurred.

Statement 2: Customer relationship management (CRM) is a term that refers to practices, strategies and technologies that companies use to manage and analyze customer interactions and data throughout the customer lifecycle, with the goal of improving business relationships with customers, assisting in customer retention and driving sales growth.

Statement 3: CRM plans for the dependent demand. Dependent demand is directly related to or derived from the bill of material structure for other items or end products.

Statement 4: The objectives of a good CRM are aimed at to build long-term profitable relationships with specific customers through a better understanding of the customers in order to develop close relationships, offer optimal products and services on a dynamic basis and achieve life-time value from customers.

Select the correct option:

- (a) Statement 1
- (b) Statement 2
- (c) Statement 3
- (d) All of these

Q39. Arrange the correct sequence of implementation process of CRM in Banks?

1. The collection of the analysis of data
2. The dissemination of information to various components of the organization.
3. Appropriate data classification
4. Verbal communication, Internet, Email advertising and Telephone marketing
5. The composition and insertion of data into the organization database
6. Support, Selling, Marketing, management.

Choose the correct option:

- (a) 3, 4, 5, 1, 2, 6
- (b) 4, 3, 5, 1, 2, 6
- (c) 2, 4, 6, 1, 3, 5
- (d) 1,3, 5, 2, 4, 6

Q40. An effective CRM implementation in retail banking will benefit the banks in more than way. Which of the following are not amongst the benefits of CRM?

1. Improves the customer satisfaction and cross selling potential for the banks.
2. Helps the banks to derive increased share of wallet from the customer.
3. Enhances the operational efficiencies of the banks.
4. Helps to take on competition as CRM results in low customer focus and high demands.
5. Helps to understand Customer Lifetime Value through the structured data base on a dynamic basis.
6. Help in direct selling of its products.
7. Improves customer service through effective integration of all remote delivery channels.
8. Helps to manage multi delivery channels in a better way to adopt and maintain uniform service standards across channels.
9. Enables to achieve seamless information flow across functions in delivery.

Select the correct option:

- (a) 1 and 2 only
- (b) 4 and 6 only
- (c) 6 only
- (d) None of these

Q41. Match the following different key issues in the implementation of CRM by banks:

List I	List II
A. Business processes	1. Cash levels are set and monitored at intervals and when cash in the machine falls below a pre-determined level, the vendor is informed to replenish cash immediately.
B. Information processes	2. The evaluation of the current business processes is essential to determine the nature of products, the bank wants to offer and the way it wants to develop its customer portfolio.
C. Information systems	3. The existing information infrastructure of the bank needs to be analyzed and the implementation of the CRM infrastructure accordingly customized. The focus has to be reinforcement rather than replacement.
D. Internal organizational culture	4. The success of the CRM implementation lies in homogenization of the same in the organization systems and responsiveness of the organization to it to develop the particular customer relationships that CRM promises.

Choose the correct option:

- (a) A-1, B-2, C-3, D-4
- (b) A-2, B-4, C-1, D-3
- (c) A-1, B-3, C-4, D-2
- (d) A-2, B-4, C-3, D-1

Q42. What does Customer Relationship Management (CRM) deal with in retail banking?

1. Capturing the customer's profile and dissecting the profiles into common information.
2. Improves the customer satisfaction and cross selling potential for the banks.
3. Storing client data and understanding the client's requirements.
4. Helps to understand Customer Lifetime value.
5. Establishing close personal relationship with customers.
6. Helps to manage multi delivery channels in a better way.
7. Keeping in touch with customers to ensure that their needs are understood.
8. Friendly behavior with clients.

Choose the correct option:

- (a) 1, 2, 3, 4
- (b) 5, 6, 7, 8
- (c) Only 3, 5, 7, 8
- (d) Both (a) and (b)



Q43. Match the following:

List-I	List-II
A. Point of Sale Terminal	1. The role is confined to the acquisition of transactions of all banks' customers and hence they need to establish technical connectivity with the authorized shared ATM Network Operators/Card Payment Network Operators.
B. Internet Payment Gateway	2. Whenever a customer makes a purchase in a merchant establishment, it facilitates the payment of amount of purchase by accessing the account and effecting payment.
C. Customer Awareness and Education Measures	3. It provides an easy and secure mechanism to merchants for processing online payments by shielding them from underlying complexity of payment transactions and integration with electronic fund transfer switches.
D. White label ATM	4. Posters/notices containing safety tips on usage of card/ATM are prominently displayed at the ATM machines.

- (a) A-1, B-2, C-3, D-4
 (b) A-2, B-4, C-1, D-3
 (c) A-2, B-3, C-4, D-1
 (d) A-2, B-4, C-3, D-1

Q44. BCSBI is a voluntary Code which sets the minimum standards of banking practices for banks to follow when they are dealing with individual customers. Banking Codes and Standards of India is aimed at the following:

1. Promote good and fair banking practices by setting minimum standards in member bank's dealings with customers
2. Increase transparency so that customers can have a better understanding of what they can reasonably expect from member banks
3. Encourage market forces, through competition, to achieve higher operating standards
4. Promote a fair and cordial relationship between customers and their banks
5. Foster confidence in the banking system
6. Promote safe and fair customer dealing in case of banking in a digitized environment
7. Increase awareness of customers and to enhance customer protection.

Choose the correct option:

- (a) 2, 5, 6, 7
 (b) 1, 2, 3 only
 (c) 5, 6, 7 only
 (d) All of the above

Q45. Arrange the correct sequence of Customer Grievances Handling Mechanism.

1. After examining the matter, the bank will send the final response or explain why the bank need more time to respond and shall endeavor to do so within 30 days of receipt of the complaint and will tell customer how to take their complaint further, if still not satisfied.
2. The branch will make sure to elevate the complaint to the highest level of grievance redressal authority within the bank if it is not handled at the branch level and will provide a final answer within 30 days.
3. If a written complaint is presented by hand, the bank must recognize it right once and send a "complaint reference number" in a separate SMS to the registered mobile phone.
4. If a customer wants to make a complaint, the bank will help the customer and tell the customer how, what, where and to whom complaint can be made.

5. The customer may approach our Regional/Zonal Manager/Principal Nodal Officer (PNO) at the address displayed at the branch, if so desire.
6. The Banks will display the name of the official at the branch whom customers may approach if they have a grievance.
7. If a client calls the bank's authorized telephone helpdesk or customer service line with a complaint, the bank must give the consumer a complaint reference number and keep them updated on the status of their case within a reasonable amount of time.
8. Within 30 days of lodging a complaint with the bank, if the customer does not get response/ satisfactory response and wish to pursue other avenues for redressal of grievances, they may approach Banking Ombudsman appointed by RBI under the Banking Ombudsman Scheme.

Choose the correct option:

- (a) 3, 4, 6, 2, 5, 8, 7, 1
- (b) 4, 6, 2, 5, 3, 7, 1, 8
- (c) 3, 7, 1, 8, 4, 6, 2, 5
- (d) 1, 2, 3, 4, 5, 6, 7, 8

Q46. The Delivery model of Retail Banking in banks and financial institutions, especially regarding distribution, must change to serve digitally empowered consumers by building a strong digital banking model. Which one of the following are not correct about building a digital bank?

1. Enable customers to use whatever physical channel or digital device they prefer to transact with the bank whenever and wherever they please are the key to an 'Opti-channel' experience.
2. Empower customers with digital tools and content to make a personalized product and service selection and sales fulfillment possible, thus enabling customers to take control of their financial decisions.
3. Direct Selling Associates (DSAs) are effective intermediaries between the banks and customers for sourcing and completing the initial formalities.
4. Empower frontline employees with cross-channel, real-time customer insight and intelligence to support both sales and service needs, dramatically increasing employees' productivity.
5. Adoption of digital channels by customers has created real time data about the trend, test, liking and patterns revealing the financial affordability and discipline.
6. As per the RBI guidelines, banks and NBFCs are required to formulate Board approved policies for entering into the CLM and place the approved policies on their websites.
7. Garner commitment and mandate from upper management and boards in support of the above changes, both financially and emotionally, which must extend throughout the entire organization.

Choose the correct option:

- (a) 1, 2, 4, 5, 7
- (b) 1, 3, 5, 6, 7
- (c) 2, 4, 6,
- (d) 1, 3, 5, 7

Q47. CRM is aimed to increase the share of wallet of the customer with the banks' services and increase the per-customer profitability of banks. What are the stages involved in a CRM initiative? Arrange them in sequence.

1. Create a 360-degree view of your customers. Dissecting the profiles into common information buckets.
2. Establish healthy customer relationship based on a comprehensive customer profile.
3. Capturing the customers' profile through a technology enabled model.
4. Tracking the customer information on a dynamic basis to design new products and services to meet the changing dynamics of the customers.
5. Designing suitable products and services to cater to the different information buckets.

6. Providing the right sales and service processes to achieve total customer satisfaction.
7. Minimize response time to customer's enquiries/requirements.
8. Get the whole staff members on board.
9. Offering the products and services to the targeted and segmented customers from the information buckets with the right pricing.

Choose the option:

- (a) 1, 2, 3, 4, 5, 6, 7, 8, 9
- (b) 8, 3, 1, 5, 6, 9, 4, 2, 7
- (c) 8, 3, 1, 5, 9, 6, 7, 4, 2
- (d) 1, 2, 3, 8, 5, 9, 6, 7, 4

Q48. CRM as a tool can be effectively utilized to explore new frontiers in product development and management and improve the per-customer profitability in addition to building and sustaining customer loyalty and brand equity. Which of the following are the needs for better understanding of CRM?

1. Need to increase operational efficiencies
2. Need to derive more value from employees
3. Increasing competition in retail banking
4. Increasing importance of fee-based income
5. Delivery channel efficacy
6. Application of Technology

Select the correct option:

- (a) 1 and 2 only
- (b) 1, 4, 6 only
- (c) 1, 2, 3, only
- (d) 1, 2, 3, 4, 5, 6

Q49. Match the following:

List I	List II
A. Data Warehouse	1. It is used to manage and analyze customer interactions and data throughout the customer lifecycle, with the goal of improving business relationships with customers, assisting in customer retention driving sales growth.
B. Data Mining	2. These analyses are developed by means of Business Object in its web version. CRM analysts use this tool to issue complex SQL (Structured Query Language) queries on the Data Warehouse or on the Analytical Data mart and carry out mono and bivariate statistics on the whole customers' population or on selected groups.
C. OLAP	3. The procedure of sorting through huge amounts of information to identify relationships and trends that can help in data analysis to address business challenges.
D. Customer Relationship Management	4. It integrates data and information collected from various sources into one comprehensive database.

- (a) A-1, B-2, C-3, D-4
- (b) A-4, B-3, C-2, D-1
- (c) A-3, B-2, C-1, D-4
- (d) A-2, B-1, C-4, D-3

Q50. Statement 1: In November 2008, RBI had constituted a committee on “Procedure & Performance Audit of Public Services” under the chairmanship of Shri S.S. Tarapore (Former Dy. Governor).

Statement 2: As per Annual Report of RBI dated 25th August 2020, Reserve Bank of India (RBI) has decided to dissolve the Banking Codes and Standards Board of India (BCSBI).

Statement 3: BCSBI was set up by the WTO in February 2006 as an independent and autonomous body, assigned to formulate codes of conduct to be adopted by banks voluntarily for ensuring fair treatment of customers.

Statement 4: In November 2003, RBI had constituted a committee on “Procedure & Performance Audit of Public Services” under the chairmanship of Shri S.S. Tarapore (Former Dy. Governor).

Choose the correct statement:

- (a) Statement 1 and 3 are true
- (b) Statement 2 and 4 are true
- (c) Statement 1 and 2 are true
- (d) Statement 3 and 4 are true

Q51. Which one of the following is not an impact of Customer Relationship Management on Customer Satisfaction?

- 1. Banks are able to customize their offerings for each customer.
- 2. CRM applications also enable firms to provide timely, accurate processing of customer orders and requests and the ongoing management of customer accounts.
- 3. CRM applications also help firms manage customer relationships more effectively across the stages of relationship initiation, maintenance, and termination.
- 4. It enhances productivity and creates superior employee’s morale.
- 5. With improved customer loyalty, banks will also have the clear information that what are their customers, what are their needs, and what will make them more satisfied.

Select the correct option:

- (a) Only 1
- (b) Only 3
- (c) 2 and 5
- (d) None of these

Q52. Code of Bank’s Commitment to Micro and Small Enterprises was brought out by BCSBI in May 2008 and sets minimum standards of banking practices for banks to follow when they are dealing with Micro and Small Enterprises (MSEs). What are the objectives of the code?

- 1. Giving the MSE sector a boost by making effective financial services easily accessible.
- 2. To promote good and fair banking practices by setting minimum standards in dealing with MSE customers.
- 3. To increase transparency so that MSE can have a better understanding of what they can reasonably expect of the services.
- 4. To improve member banks understanding of their business through effective communication.
- 5. To encourage market forces, through competition, to achieve higher operating standards.
- 6. To promote a fair and cordial relationship between MSE and member banks and also ensure timely and quick response to their banking needs.
- 7. To foster confidence in the banking system.

Select the correct option:

- (a) 2, 3 and 4 only
- (b) 4, 5 and 6 only
- (c) 1, 2, 3, 4, 5, 6, 7
- (d) All these statements are incorrect

Q53. Which of the following statements are incorrect?

Statement 1: The Reserve Bank has since set up CEPD (Consumer Education and Protection Department), issued the Charter of Customer Rights (CoCR), and considerably strengthened the Ombudsman mechanism to enhance consumer protection.

Statement 2: All the three existing Ombudsman schemes – Banking Ombudsman Scheme, 2006; Ombudsman Scheme for NBFCs, 2018; and Ombudsman Scheme for Digital Transactions, 2019 are not integrated schemes.

Statement 3: Banking Codes and Standards Board of India (BCSBI) prescribed the various compliance requirements for the promises made by the banks for offering services to retail banking customers and they have codified the promises into a document.

Select the correct option:

- (a) Statement 1
- (b) Statement 2
- (c) Statement 3
- (d) All of these

Q54. Arrange the correct sequence of functions of Marketing Information System or process of database management?

1. The collected information is evaluated to find out its accuracy and reliability.
2. Information collected from various sources is required to be classified, tabulated, and summarized for facilitating study and critical analysis.
3. The information has to reach the decision-makers for solving marketing problems and take management decisions.
4. The collected and processed data needs to be stored in a manner that ensures its preservation, and its ready availability for reference as and when required.
5. Information needs to be collected on a continuous basis from numerous sources, both internal and external.

Choose the correct option:

- (a) 3, 4, 5, 1, 2
- (b) 4, 3, 5, 1, 2
- (c) 2, 4, 5, 1, 3
- (d) 5, 2, 1, 4, 3

Q56. Match the following:

List I	List II
A. Internal Marketing Information	1. Data for market research is collected specifically for the exercise at hand and techniques like field surveys, consumer interview, dealer survey, etc., are employed for this purpose.
B. Market Intelligence System	2. It typically includes data on sales turnover, cost, cash flows, accounts receivable, etc. The reports of salesmen on their sales calls contain valuable information relating to company's sales, consumer behavior, likes, dislikes and competitors.
C. Marketing Research System	3. This combines the effect of other components, use of the computerized data to the best advantage in the various sectors, in meeting the needs of MKIS, viz., complex marketing activity, knowledge/information explosion, and bridges the communication gap, by taking a prompt decision, making use of the competitive advantage.
D. Marketing management and Science system	4. The major source is the published information available through the newspapers, magazines, television, trade journals, etc.

Choose the correct option:

- (e) A-1, B-2, C-3, D-4
- (f) A-2, B-4, C-1, D-3
- (g) A-1, B-3, C-4, D-2
- (h) A-2, B-4, C-3, D-1

Q57. The majority of the companies that had MKISs also had company-wide computer information systems (CISs). Which of the following are the usages of Computers in MKIS?

1. The respondents are able to access personal computers (PCs) or terminals in their job functions. Many use PCs or terminals on a daily basis.
2. Information: Internal accounting was regarded as the most important source of MKIS information. This is a good sign for customers, since marketing research is, primarily, designed to identify market demands and preferences.
3. With regard to pre-processed information, such as sales forecasts, distribution trends, market share, inventory statistics, etc., companies can make them available to managers on a real-time basis.
4. MKISs are more useful, when computer assisted; for the breakdown. Interestingly enough, little use is made of supercomputers.

Choose the correct option:

- (a) 1, 2, 3, 4
- (b) 5, 6, 7, 8
- (c) Only 3, 5, 7, 8
- (d) Both (a) and (b)

S57. Ans. (a)

Sol. The usages of Computers in MKIS are:

- (a) The respondents are able to access personal computers (PCs) or terminals in their job functions. Many use PCs or terminals on a daily basis.
- (b) Information: Internal accounting was regarded as the most important source of MKIS information. This is a good sign for customers, since marketing research is, primarily, designed to identify market demands and preferences.
- (c) With regard to pre-processed information, such as sales forecasts, distribution trends, market share, inventory statistics, etc., companies can make them available to managers on a real-time basis.
- (d) MKISs are more useful, when computer assisted; for the breakdown. Interestingly enough, little use is made of supercomputers.

Q58. Match the following:

List-I	List-II
A. Regular convertible bonds	1. These bonds are focused on generating funds for specified projects and the repayment and interest issued to bondholders are processed via revenue explicitly generated via the projects declared in the bonds.
B. Government bonds	2. The bonds come with a fixed maturity date and a predetermined conversion price but they give the investor merely the right, and not an obligation, to convert.

C. Revenue Bonds	3. The offering allows a company to raise additional capital by borrowing at a fixed rate from an investor for a specific length of time.
D. Retail Bonds	4. Bonds are issued by the Central as well as state governments of the country in order to tide its liquidity crisis which can be used to develop infrastructure.

- (a) A-1, B-2, C-3, D-4
 (b) A-2, B-4, C-1, D-3
 (c) A-2, B-3, C-4, D-1
 (d) A-2, B-4, C-3, D-1

Q59. MKIS is a tool for dealing with data pertaining to marketing management. Which one of the following is not an advantage of Marketing Information System?

1. The MKIS framework provides a set of procedures and methods for regular, planned, purpose oriented and systematic collection of data, its analysis, storage and retrieval.
2. The operation of collecting, processing and transmitting data becomes smooth and the information flow to the decision-makers takes place in a ready for decision form.
3. There is a high amount of initial labor and capital involved which has acted as a great hurdle for companies not that big in stature and financial might.
4. It helps in improving the data capture process, checks for reliability, consistency and quality of data.
5. The complexity of MIS brings in other challenges on the operational aspect for managers and the time spent on understanding these take a toll on the bottom line

Choose the correct option:

- (a) 2, 5, 6, 7
 (b) 1, 2, 4 only
 (c) 5, 6, 7 only
 (d) All of the above

Q60. Under this scheme, entities are allowed to invest in digitized forms of gold for an extended period of time without having to avail of gold in its physical form. Interest generated via these bonds is tax-free. Ordinarily, the nominal value of this bond is arrived at by calculating the simple average of the closing price of gold that has a purity level of 99 percent three days prior to the issuance of the bond in question. There exist limits that are imposed on what amount of this bond an individual entity may hold. Liquidity of this bond is possible following a period of 5 years. Redemption, however, is only possible based on the date of interest disbursement. It is known as:

- (a) Floating rate bonds
 (b) Sovereign Gold Bonds
 (c) Inflation Indexed Bonds
 (d) Zero- Coupon Bonds



S1.Ans.(a)

Sol. Statement I: The customer base of a retail bank can vary widely by numerous factors which include age, gender, income, lifestyle, etc. From a business perspective, banks may segment their customers by dividing them into groups based on certain key characteristics and take actions that better align with each segment. By this process of obtaining and acting on customer data through the lens of segmentation, the banks can make a massive impact on marketing and sales, retention efforts, customer service, and more.

Statement II: For example, there are various analytical tools available in the market through which retail banks can easily capture data such as spending habits, frequency, and capacity, and then use this information to identify the most appropriate time to make a loan offer with a customized offer exclusively for them. This in turn can improve the likelihood of retail banks earning increased revenue through customer loans.

S2.Ans.(d)

Sol.

S3.Ans.(d)

Sol. Statement I: In retail banking, product is the starting point of the marketing process. Product is the fulcrum on which the entire retail banking revolves. Everything is centered around it. The add on and the other value propositions are tagged to the products to offer better value and acceptance to the product.

S4.Ans.(b)

Sol. Theodore Levitt observes that “Products are almost always combinations of the tangible and the intangible... To the potential buyer, a product is a complex cluster of value satisfactions... A customer attaches value to a product in proportion to its perceived ability to help solve his problems or meet his needs. All else is derivative”.

A bank product can be defined as “Anything that has the capacity to provide the satisfaction, use and return desired by the customer”. This brings into focus, the importance of product and the relevance of the product from the customer side. The key factor remains that if the bank product is no longer capable of satisfying customer needs and wants, the product will fade out. To understand more about the products, and development of products, we should understand the concepts of product life cycle.

S5.Ans.(c)

Sol.

S6.Ans.(d)

Sol.

S7.Ans.(c)

Sol. In the third stage which is the ‘maturity’ stage, there is more growth and sales volume peaks. Here there is a wide customer base which will result in maximization of sales with inflow of business and profits. Banks should aim for keeping the product in the maturity stage as long as possible, so that business and profit maximization happens continuously. And another important point is that product life cycle is different for different products.

S8.Ans.(a)

Sol.

S9.Ans.(b)

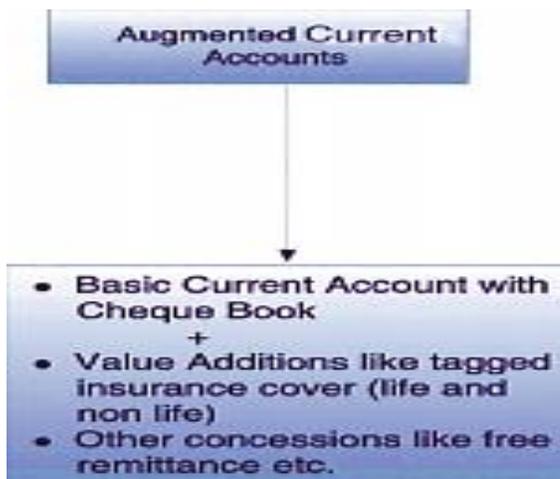
Sol.

Statement III: In the remittances-based services, issue of Drafts, Bank Orders/Bankers Cheques, National Electronic Funds Transfers (NEFT), Real Time Gross Settlements (RTGS), Internet, Mobile Banking, etc., are the types of services offered to the customers.

Statement IV: Other fee-based services, Collection of Cheques, Safe Deposit Lockers, Standing Instructions for carrying out the instructions of the customer on a periodic basis, Merchant banking services in the area of capital market issue management in the capacity of Lead Manager, Co-Manager to the issues, etc.

S10.Ans.(d)

Sol. An augmented product is the extra service or Benefits that customers enjoy when they purchase an actual product.



S11.Ans.(b)

Sol. As savings deposits are a big component of CASA deposits for PSBs, Cooperative banks and major private sector banks, these accounts provide the broad retail deposit base and help banks to shore up their earnings through low-cost deposits which can be profitably deployed into high yielding advances and thereby provide better interest spread and margin.

S12.Ans.(a)

Sol.

S13.Ans.(a)

Sol. If any low-risk individual customer does not possess either any of the Officially Valid Documents (OVD) as notified by Government of India or the documents applicable in respect of simplified procedure, then 'Small Accounts' may be opened for such an individual. A 'small account' may be opened on the basis of a self-attested photograph and affixation of signature or thumb print. As notified in terms of Govt. of India notification dated December 16, 2010, BSBDA Small Accounts would be subject to the following conditions:

1. The aggregate of all credits in a financial year does not exceed ₹1 Lakh.
2. The aggregate of all withdrawals and transfers in a month does not exceed ₹10,000/-.
3. The balance at any point of time does not exceed ₹50,000/-.
4. Foreign remittances cannot be credited to Small Accounts without completing normal KYC formalities.

5. small accounts are valid for a period of 12 months initially which may be extended by another 12 months if the person provides proof of having applied for an Officially Valid Document. If proper KYC documents are not submitted within the total time frame of 24 months, all transactions shall be blocked in the account.
6. Small Accounts can only be opened at CBS linked branches of banks or at such branches where it is possible to manually monitor the fulfillments of the conditions.

S14.Ans.(d)

Sol.

S15.Ans.(a)

Sol.

S16.Ans.(a)

Sol.

S17.Ans.(c)

Sol. Customer Identification Procedures (CIP): The customers shall not be required to furnish an additional Officially Valid Document (OVD), if the OVD submitted by the customer for KYC contains both proof of identity and proof of address. As per RBI guidelines, the "Officially Valid document" (OVD) are enlisted as the passport, the driving license, the Voter's Identity Card issued by the Election Commission of India, job card issued by NREGA duly signed by an officer of the State Government, letter issued by the Unique Identification Authority of India containing relevant details.

Risk Management: It shall be categorized as low, medium and high category, based on the assessment and the perception of the bank. The categorization shall be undertaken based on parameters such as customer's identity, social/ financial status, nature of business activity, and information about the clients' business and their location, etc. While considering customer's identity, the ability to confirm identity documents through online or other services offered by issuing authorities may also be factored in.

S18.Ans.(d)

Sol. Statement I: (correct statement)

As per the provisions contained in Rule 114B, Income-tax Rules, opening an account other than a time-deposit account of not exceeding ₹50,000 and a Basic Savings Bank Deposit Account with a bank, requires to quote Permanent Account Number (PAN).

Cash deposit with bank exceeding ₹50,000 also requires PAN, if the account is not seeded with PAN. Where a person, entering into any transaction referred to in this rule, is a minor and who does not have any income chargeable to income-tax, he shall quote the permanent account number of his father or mother or guardian, as the case may be, in the document pertaining to the said transaction.

If any person who does not have a permanent account number and who enters into any transaction specified in this rule, shall make a declaration in Form No.60 giving therein the particulars of such transaction.

S19.Ans.(d)

Sol.

S20.Ans.(c)

Sol.

S21.Ans.(b)

Sol.

S22.Ans.(d)

Sol.

S23.Ans.(c)

Sol.

S24.Ans.(a)

Sol.

S25.Ans.(c)

Sol.

S26.Ans.(a)

Sol.

S27.Ans.(c)

Sol.

S28.Ans.(a)

Sol.

S29.Ans.(b)

Sol.

S30.Ans.(d)

Sol. Statement I: The true statement is

A credit score is the statistical analysis of a person's past credit dealings and represents his or her Credit discipline. The credit score is assessed based on the dealings in credit products like home loans, auto loans, credit cards, personal loans and overdrafts. Credit scores can be generated by credit institutions and even by self. Reserve Bank of India (RBI) has made it mandatory for all Credit Information Companies (CICs) in the country to give a Free Full Credit Report (FFCR) without any charge, on request, once a calendar year to individuals whose credit history is available. This rule has come into force from 1 January 2017.

A credit score takes a 'snapshot' of a consumer's credit report and through advanced analytics turns the information into a 3-digit number representing the amount of risk he brings to a particular transaction. Credit score values range from 300 to 900.

S31.Ans.(a)

Sol. All these statements are the correct objectives of Immediate Payment Service (IMPS).



S32.Ans.(d)

Sol.

S33.Ans.(b)

Sol. Internet Payment Gateway is an interface between merchants and consumers for secured internet payment using Credit/Debit Cards/internet banking. It provides an easy and secure mechanism to merchants for processing online payments by shielding them from underlying complexity of payment transactions and integration with electronic fund transfer switches. Payments made through e-Gateway are fully secured with the latest industry/security standards mandated by Visa/Master Card/RuPay Card

S34.Ans.(d)

Sol. Statement is incorrect because customers who do not get the benefit of redressal of the failure as defined in the TAT, can register a complaint with the Reserve Bank- Integrated Ombudsman Scheme, 2021. (RBI/2019-20/67 September 20, 2019)

S35.Ans.(c)

Sol. All the statements are true.

S36.Ans.(b)

Sol.

S37.Ans.(c)

Sol.

S38.Ans.(c)

Sol. Statement 3 is incorrect statement. It is because Customer Relationship management (CRM) is not related to the Dependent demand plans

S39. Ans. (b)

Sol. The correct sequence of Implementation process of CRM in Banks is:

1. Verbal communication, Internet, Email advertising and Telephone marketing
2. Appropriate data classification
3. The composition and insertion of data into the organization database
4. The collection of the analysis of data
5. The dissemination of information to various components of the organization
6. Support, Selling, Marketing, management.

S40. Ans. (b)

Sol. Statement 4 and 6 are incorrect about CRM.

1. Helps to take on competition as CRM results in more customer focus and retention.
2. Helps in cross selling its products.

S41. Ans. (d)

Sol.

S42.Ans.(c)

Sol. Customer Relationship Management (CRM) deal with in retail banking as:

- Storing client data and understanding the client's requirements.
- Establishing close personal relationship with customers.
- Keeping in touch with customers to ensure that their needs are understood.
- Friendly behavior with clients.

S43.Ans.(c)

Sol.

S44. Ans. (d)

Sol. All of these statements are correct objectives of Code.

S45. Ans. (b)

Sol.

1. If a customer wants to make a complaint, the bank will help the customer and tell the customer how, what, where and to whom complaint can be made.
2. The Banks will display the name of the official at the branch whom customers may approach if they have a grievance.
3. The branch will make sure to elevate the complaint to the highest level of grievance redressal authority within the bank if it is not handled at the branch level and will provide a final answer within 30 days.
4. The customer may approach our Regional/Zonal Manager/Principal Nodal Officer (PNO) at the address displayed at the branch, if so desire.
5. If a written complaint is presented by hand, the bank must recognize it right once and send a "complaint reference number" in a separate SMS to the registered mobile phone.
6. If a client calls the bank's authorized telephone helpdesk or customer service line with a complaint, the bank must give the consumer a complaint reference number and keep them updated on the status of their case within a reasonable amount of time.
7. After examining the matter, the bank will send the final response or explain why the bank need more time to respond and shall endeavor to do so within 30 days of receipt of the complaint and will tell customer how to take their complaint further, if still not satisfied.
8. Within 30 days of lodging a complaint with the bank, if the customer does not get response/ satisfactory response and wish to pursue other avenues for redressal of grievances, they may approach Banking Ombudsman appointed by RBI under the Banking Ombudsman Scheme.

S46. Ans. (a)

Sol. Statement 3 and 6 are not related to the procedure of building a digital bank.

S47. Ans. (c)

Sol.

1. Get the whole staff members on board.
2. Capturing the customers' profile through a technology enabled model.
3. Create a 360-degree view of your customers. Dissecting the profiles into common information buckets.
4. Designing suitable products and services to cater to the different information buckets.
5. Offering the products and services to the targeted and segmented customers from the information buckets with the right pricing.
6. Providing the right sales and service processes to achieve total customer satisfaction.
7. Minimize response time to customer's enquiries/requirements.
8. Tracking the customer information on a dynamic basis to design new products and services to meet the changing dynamics of the customers.
9. Establish healthy customer relationship based on a comprehensive customer profile.

S48. Ans. (d)

Sol. The needs for better understanding of Customer Relationship Management are:

1. Need to increase operational efficiencies
2. Need to derive more value from employees
3. Increasing competition in retail banking
4. Increasing importance of fee-based income
5. Delivery channel efficacy
6. Application of Technology

S49. Ans. (b)

Sol.

S50. Ans. (b)

Sol. Statement 2 and 4 are true. Statement 3 is false because BCSBI was set up by the Reserve Bank in February 2006 as an independent and autonomous body, assigned to formulate codes of conduct to be adopted by banks voluntarily for ensuring fair treatment of customers.

S51. Ans. (d)

Sol. Customer satisfaction has important implications for the economic performance of banks. The impact of Customer Relationship Management (CRM) on customer satisfaction are:

1. Banks are able to customize their offerings for each customer.
2. CRM applications also enable firms to provide timely, accurate processing of customer orders and requests and the ongoing management of customer accounts.
3. CRM applications also help firms manage customer relationships more effectively across the stages of relationship initiation, maintenance, and termination.
4. It enhances productivity and creates superior employee's morale.
5. With improved customer loyalty, banks will also have the clear information that what are their customers, what are their needs, and what will make them more satisfied.

S52. Ans. (c)

Sol.

S53. Ans. (b)

Sol. Statement 2 is incorrect statement. It is because:

All the three existing Ombudsman schemes – Banking Ombudsman Scheme, 2006; Ombudsman Scheme for NBFCs, 2018; and Ombudsman Scheme for Digital Transactions, 2019 have been integrated into one scheme, known as “Integrated Ombudsman Scheme 2021”.

S54. Ans. (d)

Sol. The correct sequence of functions of MKIS:

1. Information needs to be collected on a continuous basis from numerous sources, both internal and external.
2. Information collected from various sources is required to be classified, tabulated, and summarized for facilitating study and critical analysis.
3. The collected information is evaluated to find out its accuracy and reliability.
4. The collected and processed data needs to be stored in a manner that ensures its preservation, and its ready availability for reference as and when required.
5. The information has to reach the decision-makers for solving marketing problems and take management decisions.

S55. Ans. (c)

Sol. Statement 4 is incorrect.

S56. Ans. (b)

Sol.

S57. Ans. (a)

Sol. The usages of Computers in MKIS are:

1. The respondents are able to access personal computers (PCs) or terminals in their job functions. Many use PCs or terminals on a daily basis.
2. Information: Internal accounting was regarded as the most important source of MKIS information. This is a good sign for customers, since marketing research is, primarily, designed to identify market demands and preferences.
3. With regard to pre-processed information, such as sales forecasts, distribution trends, market share, inventory statistics, etc., companies can make them available to managers on a real-time basis.
4. MKISs are more useful, when computer assisted; for the breakdown. Interestingly enough, little use is made of supercomputers.

S58. Ans. (b)

Sol.

S59. Ans. (b)

Sol. The advantages of MKIS are:

1. The MKIS framework provides a set of procedures and methods for regular, planned, purpose oriented and systematic collection of data, its analysis, storage and retrieval.
2. The operation of collecting, processing and transmitting data becomes smooth and the information flow to the decision-makers takes place in a ready for decision form.
3. It helps in improving the data capture process, checks for reliability, consistency and quality of data.

S60. Ans. (b)

Sol. Sovereign Gold Bonds: Under this scheme, entities are allowed to invest in digitized forms of gold for an extended period of time without having to avail of gold in its physical form. Interest generated via these bonds is tax-free. Ordinarily, the nominal value of an SGB is arrived at by calculating the simple average of the closing price of gold that has a purity level of 99 percent three days prior to the issuance of the bond in question. There exist limits that are imposed on what amount of SGB an individual entity may hold. Liquidity of SGBs is possible following a period of 5 years. Redemption, however, is only possible based on the date of interest disbursal.