

Retail Banking

1. RETAIL BANKING

2. Which of the following is not a fundamental ingredient of an effective marketing mix in Retail Banking?
- Product and Price
 - Product and profit**
 - Place and People
 - Process and Physical evidence
3. Any document other than a will has to be presented for registration within months from the date of its execution. The term 'execution' means signing of the agreement. Under the present rules and regulations, all agreements in respect of a transfer of a immovable property have to be duly stamped.
- 1
 - 2
 - 3**
 - 4
4. PSBs are more ____ organized in the process model with various levels of ____ position across banks.
- vertical, horizontal
 - horizontal, vertical**
 - vertical, vertical
 - horizontal, horizontal
5. In the retail liabilities and asset side, the software mainly captures the following types of information. Select the correct option.
- Static Information
 - Updated Information
 - Transaction Information
 - Analytics and Alerts
- i, ii and iii
 - ii, iii and iv
 - i, iii, and iv
 - i, ii, iii, and iv**
6. What is new name of SGSY(swaranjayanti gram swarojgar yojna) ?
- National gram livelihood society
 - Central rural gram yojna
 - National livelihood campaign
 - National Rural Livelihood Mission**

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7. **Public sector banks in India follow the model of**
- Departmental approach**
 - Strategic Business Unit approach
 - Integrated approach
 - all the above
8. **The integration of triple play (data + audio + video) provides banking customers real time access to their relationships with the bank, such as fund transfers, remittances, etc. This is built on ____ principles.**
- Web 1.0
 - Web 2.0
 - J2EE
 - .NET
- both i and ii
 - i, ii and iii
 - ii, iii and iv**
 - i, iii and iv
9. **Securitisation Process involves the following :**
- The lender first selects the assets they want to securitise.
 - The issuer (Special Purpose Vehicle) makes payment to the lender for the loans securitised.
 - The assets are converted into a pool of securities by the issuer for the purpose of issuing Pass Through Certificate (PTC) and the PTCs are sold to other investors who are willing to invest.
 - All the above.**
10. **BCSBI was released by the Governor, Reserve Bank of India on**
- 1st Apr 2006
 - 1st Jul 2006**
 - 1st Aug 2008
 - 1st Sep 2009
11. **BCSBI codes are reviewed after every years.**
- 2
 - 3**
 - 4
 - 5
12. **What is correct about project cost under PMGEP scheme ?**
- Rs 20 lacs(manufacturing) & 10 lacs(Others)
 - Rs 25 lacs(Manufacturing) & 10 lacs(Others)**
 - Rs 10 lacs(manufacturing) & Rs 5 lacs(Others)

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d. Rs 2 lacs maximum

13. Returns are more in

- a. para banking
- b. corporate banking
- c. retail banking**
- d. all the above

14. What is range of margin/borrower contribution in PMGEP scheme ?

- a. 10% general and 5% for special category**
- b. 5% for general & special category nil
- c. 5% for all
- d. 10% for all

15. According to the factors of service quality – Empathy means

- a. Helping the customer
- b. extend prompt service
- c. understanding the service expectations from customers point of view**
- d. all the above

16. To consider the loan amount under housing loan scheme which of the following statements are true?

- a. The property is jointly held with the spouse and the spouse is co-borrower
- b. the property is held in single name and the spouse stands as a guarantor the borrower's son or daughter who has a steady income
- c. the salary is routed through Bank account and joins as a co-borrower
- d. expected rental less taxes, cess, etc., in case the house/flat being purchased is proposed to be rented

17. e. Regular income from all sources can be considered to arrive at total eligible loan amount.

- a. a, c, d
- b. a, b, d
- c. a, d, e
- d. All the above**

18. An Individual took a Loan of Rs. 15.00 Lacs for purchasing a flat for self-occupation on 30/03/1999 & paid Rs. 1,20,000 towards Interest during FY. 2006-07. The maximum amount of Interest which he can claim as a deduction would be...

- a. Rs. 1,50,000
- b. Rs. 1,20,000
- c. Rs. 1,00,000
- d. Rs. 30,000**

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- c. introduction stage.
 - d. a & c
28. **Marketing Mix refers to**
- a. Product & Price
 - b. Promotion & Place
 - c. People & Process & Physical evidence
 - d. **All the above.**
29. **DRTs are governed by provisions of the**
- a. RBI Act
 - b. SARFAESI Act
 - c. **RDB Act**
 - d. BR Act
30. **The terms and conditions for repossession as per the recovery policy should contain the following provisions**
- a. notice period before taking possession
 - b. circumstances under which the notice period can be waived
 - c. the procedure for taking possession of the security
 - d. **a provision regarding final chance to be given to the borrower for repayment of loan before the sale/auction of the property**
31. **What are the advantages of retail banking?**
- a. Risk is less as client base is large
 - b. Income is relatively more as spreads are more
 - c. Stable model with less volatility
 - d. **a and b**
32. **Recovery of loans through Lok Adalats can be resorted to by banks upto a limit of**
- a. Rs.2 lacs
 - b. Rs.5 lacs
 - c. **Rs. 10 lacs**
 - d. Rs.20 lacs
33. **Bank's representatives authorized to represent the Bank in collection or/and security repossession would contact the borrower before**
- a. 1800 hrs
 - b. **1900 hrs**
 - c. 2000 hrs
 - d. 2100 hrs

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34. This method of depreciation is generally adopted by industrial units because of advantage of lower income-tax
- Written Down Value (WDV) Method**
 - Straight Line Method
 - both
 - There are several methods to calculate depreciation, board of directors of company decides.
35. What is appropriate about educational qualifications under PMGEP scheme ?
- 8th pass essential
 - Over this ceiling (10 lacs mfg & 5 lacs others), 8th pass
 - No criteria upto loan of Rs 10 lacs(manufacturing) & 5 lacs for business/service .
 - b & c**
36. For reverse mortgage loans the age of the applicant should be above
- 50 yrs
 - 55 yrs
 - 60 yrs**
 - 65 yrs
37. Through Mobile Banking customer can't avail the facility of
- Balance Enquiry
 - Letter of Credit services**
 - Funds Transfer
 - Transactions of credits
38. Through Internet Banking customer can not avail the facility of the transactions of
- Transactions of debits
 - Transactions of credits
 - Letter of Credit services**
 - Funds Transfer
39. The branch is the primary direct channel that drives Retail Banking by the following reasons:-
- Products and services are directly explained to the customers.
 - Personnel at the branch relate with the customer for their transactions
 - The branch tangibilizes the intelligible nature of banking service
 - All the above.**
40. BCSBI codes are ____.
- mandatory
 - voluntary**
 - set up as maximum standards which each bank has to follow
 - set up such that these supersede the guidelines of RBI

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41. In case of default in repayment, before repossession of the security, BCSBI representatives will contact you ('you' denotes customer) between ___ and ___, unless the special circumstances of your (customer's) business or occupation require otherwise.
- 0900 hrs to 2100 hrs
 - 0800 hrs to 1800 hrs
 - 1000 hrs to 2000 hrs
 - 0700 hrs to 1900 hrs**
42. According to BCSBI, if a bank plans to close or move its branch, the bank will give the customers a notice of ___ months if there is no other branch of any bank functioning at that centre and a notice of ___ months, if there is a branch of any other bank functioning at that centre.
- 1, 3
 - 1, 2
 - 2, 3
 - 3, 2**
43. Which of following is not part of priority sector lending ?
- Loan to small & marginal farmers
 - Loan to DRI beneficiaries
 - Loans to farmers in distress who are caught in clutches of money lenders/private institutional lenders
 - Medium enterprises in MSME**
44. Loans to distressed persons(other than farmers) is also part of priority sector if the amount of loan is upto:
- Rs 1 lac
 - No limit
 - Rs 5 lacs
 - Rs 50000**
45. In India, mortgage advice profession should follow the guideline of
- RBI
 - SEBI
 - CONCERN BANK/BRANCH
 - No regulations**

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46. Select the ODD one :

- a. Ordinary Annuity : Payments are made/received at the end of each period.
- b. $B. FV = PV(1 + r)^n$ (Where PV means present value, 1 means one rupee, r means rate of interest and n means period or term.)
- c. c. Annuity Due : Payments are made/received at the beginning of each period
- d. **d. Present value = FV x CV factor**

47. The maximum period for Reverse mortgage loan is

- a. 10 yrs
- b. **15 yrs**
- c. 12 yrs
- d. 20 yrs

48. At which stage of product life cycle the customer develop a tendency of indifference to the product?

- a. **maturity stage**
- b. decline stage
- c. saturation stage
- d. Both A & C

49. Bank Marketing refers to

- a. Identifying the most profitable markets now and in the future
- b. Assessing the present and future needs of customers
- c. Setting business development goals and making plans to meet them
- d. **All the above**

50. The loans sanctioned by banks for housing projects exclusively for the purpose of construction of houses only to economically weaker sections and low income groups, having family income, irrespective of location, the total cost of which do not exceed per dwelling unit.

- a. Rs 100000/- & Rs 5 lacs
- b. Rs 120000/- & Rs 15 lacs
- c. **Rs 120000/- & Rs 10 lacs**
- d. Rs 24000 & Rs 1 lacs

51. Bank loans to Housing Finance Companies (HFCs), approved by NHB for their refinance, for on-lending for the purpose of purchase/construction/reconstruction of individual dwelling units or for slum clearance and rehabilitation of slum dweller:

- a. Aggregate loan limit Rs 5 lacs per dwelling unit
- b. **Rs 10 lacs per borrower**
- c. Rs 5 lacs
- d. Rs 1 lacs

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52. Which of following concepts point out for a well laid strategy for Retail Banking focusing on Customers?
- Identifying the customers' needs
 - Developing appropriate products to satisfy their needs
 - Providing them with efficient delivery channels for availing the products
 - All the above.**
53. Which of the business modules is Management by Objectives process?
- Strategic Business Unit approach**
 - Integrated approach
 - Departmental approach
 - B & C
54. Default in repayment in Credit Cards and Personal Loan segments are mainly due to
- Genuine Defaults due to reasons beyond the borrowers' control
 - Willful defaults where the default is intentional
 - Anyone of the above**
 - Both the above
55. Cross Selling refers to
- Selling additional products/services to the existing customers.
 - Selling products/services to new customers.
 - Only i is true**
 - Both i and ii are true.
56. Which one is not a characteristic of retail banking?
- Banking facilities to individual customers.
 - Banking facilities to small size businesses
 - Banking facilities to medium size businesses
 - Banking facilities to large size businesses**
57. The first Credit Bureau in the world?
- TransUnion international inc.
 - CIBIL
 - Dun & Bradstreet information services**
 - High Mark credit information services
58. New Delhi and Mumbai have benches in Debt Recovery Tribunal
- 2
 - 3**
 - 4
 - 5

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59. Banking in the Indian scenario was identified with lending to business and corporate clients for working capital and project financing before
- 1950
 - 1960**
 - 1970
 - 1980
60. Demat refers to
- process of converting physical shares (share certificates) into an electronic form
 - Once converted, the shares are held in a Demat account
 - The shares will become interchangeable, identical and fungible assets after demat
 - All the above**
61. A good branch ambience will result in the following advantages for the bank
- Promotes efficiency and smooth flow of services which result in time benefits
 - Proper placing of various service facilities enhances internal communication effectiveness
 - The comfortable and congenial work environment results in high employee motivation
 - All the above**
62. Which of following is not part of Direct MSE under P/sector lending ?
- Loans for food & agro processing(manufacturing)provided they fulfill investment in P&M criteria.
 - Bank Loans upto 5 crore to service units provided they fulfill investment in equipment criteria
 - All KVI sector loans irrespective of area & amount of loan
 - Loans to persons involved in assisting the decentralised sector in the supply of inputs
63. Loans for repairs to the damaged dwelling units of families upto is part of Priority sector:
- Rs 1 lacs in rural/s-urban & 2 lacs in urban/metro
 - Rs 2 lacs in rural & 4 lacs in urban/metro
 - Rs 2 lacs in rural and 5 lacs in urban/metro**
 - Rs 4 lacs in rural/s-urban & 6 lacs in urban/metro
64. A suit for foreclosure must be filed within years/months from the day the mortgage money becomes due.
- 3M
 - 30M
 - 3Y
 - 30Y**

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65. In case of Home Loans, the credit rating should be reviewed

- a. MONTHLY
- b. QRTLY
- c. HY
- d. YRLY

66. Power of attorney should be.....

- a. notarised
- b. registered
- c. notarised and registered
- d. **notarised or registered**

67. The facilities available for mobile banking customers are

- a. Facility for using banking facility from anywhere
- b. Transfer of funds between accounts - same bank and other banks
- c. Option to pay utility bills
- d. **All the above**

68. Each Debt Recovery Tribunal has Recovery Officers

- a. 1
- b. **2**
- c. 3
- d. 4

69. Asset backed securitisation (ABS) is backed by

- a. All retail loans
- b. **Retail loans other than housing loans**
- c. Only housing loans
- d. None of the above

70. Loans to farmers against pledge/hypotehcation of agriculture produce(including warehouse receipts)upto_____ lacs for period not exceeding 12 months.

- a. **upto 50 lacs**
- b. upto 1 crore
- c. Upto 10 lacs
- d. upto 25 lacs

71. In the credit information report weightage given to payment history is

- a. 25 %
- b. 30 %
- c. **35 %**
- d. 40 %

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72. What are the disadvantages of retail banking?

- a. Huge clientele requires more efforts for monitoring and tracking.
- b. Cost of servicing will be relatively high.
- c. Delinquencies relatively higher in unsecured retail loans like Personal Loans and Credit Card Receivables
- d. **d. All the above**

73. An individual took a loan of Rs. 10.00 Lakhs for purchasing a plot of land during F.Y. 2005-06 & has paid around Rs. 1,10,000 towards Interest & around Rs. 57,000 towards principal during F.Y. 2006-07. He has not made any other contribution under Sections 80C, 80CCC, or 80CCD. He will be able to claim deduction of towards Interest.

- a. Rs. 1,50,000
- b. Rs. 1,10,000
- c. Rs. 57,000
- d. **Rs. 0**

74. In the credit information report maximum weightage is given to

- a. **payment history**
- b. length of credit history
- c. amount owed
- d. Both B & c

75. Which of following is part of weaker section under P/sector lending ? Pick up the ODD one :

- a. Loans to Small & Marginal Farmers
- b. **Loans to Staff Members of Bank**
- c. Loans to DRI beneficiaries
- d. Loans to Self Help group

76. The Moratorium period in case of housing loan will be

- a. 18 months
- b. Upto 18 months after the disbursal of 1st disbursement of loan
- c. Two months after the completion of construction.
- d. **Both b and c.**

77. Mr Raj is from BUNDI Rajasthan working in OBC bank at KARNAL want to purchase a house at KOTA by taking housing loan under staff HL scheme, Under simple registered mortgage, he should cross check the Encumbrance Certificate for years showing nil encumbrances and Parent Documents of years.

- a. 30,13
- b. **13,30**
- c. 13,13
- d. 30,30

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78. What is the time limit for settlement of claims in respect of deceased depositors and to release payments to survivor(s) / nominee(s) (assuming all terms and conditions fulfilled and bank is satisfied with the identification of the claimants).
- 7 days
 - 15 days**
 - 21 days
 - 30 days
79. The time limit for transfer of borrowal account is days.
- 7 days
 - 15 days
 - 21 days**
 - 30 days
80. The Point of Sale (POS) terminals do not represent which of the following
- Point of Sale is simply an electronic transaction terminal used in an electronic Point of Sale system.
 - Net Settlement when the transfer of funds actually takes place.
 - Transfer of funds to any third party**
 - A Point of Sale terminal is predominantly used for payment for sale transactions only but not for purchases transactions.
81. The time limit for returning of the securities / documents / title deeds of mortgaged property is days from the repayment of all dues agreed to or contracted.
- 7 days
 - 15 days**
 - 21 days
 - 30 days
82. Which types of the following risks to the customers as well as to banks are carried by the ATMs?
- ATM is a double edged sword increasing the chances of fraudulent withdrawals
 - Negative publicity due to break downs
 - Cash out situation which reflect in the efficiency of the banks
 - All of the above**
83. Para banking refers to
- Distribution of life insurance policies
 - Distribution of non life insurance policies
 - Distribution of mutual fund schemes
 - All the above**

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84. The business model followed by Banks for retail banking are

- a. Strategic Business Unit (SBU) Approach
- b. Departmental Approach
- c. Integrated Approach
- d. **Anyone of the above**

85. What is sub target for MSE under Priority sector lending ? Pick up the ODD one :

- a. 40% of total advances to MSME should go to micro units(manufacturing)with investment in P&M upto 10 lacs & services with investment in equipment upto 4 lacs
- b. **50% to go micro with investment in P&M upto 5 lacs & services upto 2 lacs**
- c. Total 60% to go to MSEs
- d. 20% to go to Micro (Manufacturing)with investment in P&M above 10 lacs & upto 25 lacs and services with investment above 4 lacs & upto 10 lacs

86. What stands for ANBC ?

- a. Automatic national bank credit
- b. Adjusted national branch credit
- c. Automated net bank credit
- d. **Adjusted Net Bank Credit**

87. Which of the following country doesn't come under Europe – eurozone?

- a. Austria
- b. **Sweden**
- c. Netherlands
- d. Ireland

88. If drawer fails to make the payment of the said amount of money to the Bank within 15 days of the receipt of the notice mentioned in MLQ4, A complaint should be filed before Court, within days from the date of cause of action.

- a. 7
- b. 3
- c. **30**
- d. 15

89. Which of the following dimensions do not relate to Marketing in Retail Banking?

- a. Identifying the most profitable markets now and in the future
- b. assessing the present and future needs of customers
- c. Setting business development goals and making plans to meet them
- d. **None of the above**

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90. When a cheque is dishonoured, the bank has to give a notice in writing to the drawer within days of the receipt of information by it from the finance institution regarding the return of the cheque.
- 7
 - 3
 - 30
 - 15**
91. BCSBI commits to provide 'Online Alerts' to customers for all 'card not present' transactions of the value of Rs and above.
- 1000
 - 2000
 - 5000**
 - 10000
92. CRM (Customer Relationship Management) has basically degree view of the customers and their
93. profile.
- 100
 - 180
 - 360**
 - 0
94. Data warehouse is one of the most important backbone of CRM. Which of the following is correct regarding data warehouse ?
- It is a relational database.
 - It is designed for query and analysis rather than for transaction processing.
 - It usually contains historical data derived from transaction data.
 - It enables an organization to consolidate data from several sources.
- i, ii, iii
 - i, iii, iv
 - ii, iii, iv
 - i, ii, iii and iv**
95. Which of the following facility a Mobile Banking customer cannot use?
- Facility for using banking facility from anywhere
 - Option to pay utility bills and Transfer of funds between accounts of same bank and other banks
 - Facilities of withdrawing cash anywhere anytime**
 - Balance Enquiries and facility for shopping and paying through mobile

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96. The branch is the primary direct channel that drives Retail Banking by the following reasons

.....

- a. The branch tangibilizes the intelligible nature of banking service
- b. A good branch ambience enhances the feel good factor
- c. Communication happens directly with the bank staff and customer
- d. **All the above**

97. Arrange the following stages of a CRM in the order in which they come first.

- I. Designing suitable products and services to the targeted and segmented customers
 - II. Providing the right sales and service processes
 - III. Capturing the customer's profile through a technology enabled model
 - IV. Offering the products and services to the targeted and segmented customers
- a. i, iv, iii, ii
 - b. i, iii, ii, iv
 - c. iii, iv, ii, i
 - d. **iii, i, iv, ii**

98. Mr Raj is from BUNDI Rajasthan working in OBC bank at KARNAL want to purchase a house at KOTA by taking housing loan under staff HL scheme, Under simple registered mortgage, the Deed of Mortgage is required to be registered with the sub-Registrar/Registrar.

- a. **Kota**
- b. Bundi
- c. Karnal
- d. Any where

99. The channels through which Retail Banking services are offered are?

- a. Physical Channels
- b. Branch and Extension Counters
- c. ATM, Internet Banking and Mobile Banking
- d. **All the above**

100. Which of the following is not a benefit and use of Mobile Banking?

- a. Easy and most acceptable delivery channel
- b. **It is a tool to attract of the old generation clients**
- c. Lesser transaction costs as compared to other channels
- d. Cost effective solution as compared to ATMs

101. Which of the following is not a Retail Deposit Products?

- a. Recurring Deposit Account
- b. Term Deposit Account
- c. **CC/OD account facility to a corporate office**
- d. Current Deposit Account

102. Mortgage Backed Securitisation (MBS) is backed by

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- a. All retail loans
 - b. Retail loans other than housing loans
 - c. **Mainly housing loans**
 - d. None of the above
- 103. Which of the following are not related to Internet Banking Services?**
- a. Payment Gateway services
 - b. Corporate Internet Banking
 - c. **Letter of Credit**
 - d. Supply Chain Management
- 104. Process models in retail banking are structured as**
- a. Horizontally Organised Model where individual process platform supports one product only.
 - b. Vertically Organised Model where functionality is provided across all products.
 - c. Predominantly Horizontally Organised Model with some modularization within a product oriented feed back.
 - d. **Any one of the**
- 105. Loans upto _____ to Producer Companies set up exclusively by only small and marginal farmers under Part IXA of Companies Act, 1956 for agricultural and allied activities, is part of _____ agriculture:**
- a. 5 crore direct agri
 - b. **2 crore indirect agri**
 - c. 5 crore indirect agr
 - d. 1 crore agriculture
- 106. Rate of Interest on Priority sector loans is fixed by :**
- a. Govt of India
 - b. Board of Directors
 - c. NABARD only
 - d. **RBI**
- 107. Commitments to customers under BCSBI cover**
- a. Savings Accounts
 - b. Loan Accounts
 - c. Credit Cards & Mobile Banking
 - d. **All the above**
- 108. Which of following is not an observation of Ernest T. Parkins from USA that the Internet Banking, going forward, would have great implications?**

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- a. Internet Commerce
 - b. Electronic retail banking and new types of electronic retail payments
 - c. **The product for retail banking has been broadly rejected by the customers**
 - d. Movement of retail financial services to electronic delivery including insurance, discount brokerages and mutual funds
109. Which of the following dimension of CRM is not an approach of customer optimization?
- a. Acquisition of new customers
 - b. Retention of existing customers
 - c. Expansion of the customer relationship with the bank
 - d. **Decreasing dependence on technology**
110. In case of cheques received unpaid from the paying banker for want of sufficient funds, the borrower should be immediately contacted. The cheque should be re-presented within a period of days of its having been returned unpaid with written request from the borrower.
- a. 7
 - b. **3**
 - c. 30
 - d. 15
111. Which of the following is not a result of shifting the customers from the branch to the ATM?
- a. Reduction in operation cost for the bank
 - b. Improvement in operational efficiencies
 - c. Reduction in delivery cost
 - d. **None of these**
112. What is quantum/ceiling of loan under Priority Sector ? Pick up the ODD one :
- a. Loans to individuals upto 25 lacs in metro cities with population above 10 lacs
 - b. **Loans to individuals utp 15 lacs in metro/towns with population upto 15 lacs**
 - c. Rs 15 lacs in other centres with population less than 10 lacs
 - d. Loans of metro as well as other centres to individuals per dwelling unit per family.
113. What are extant guidelines for Agriculture advances to corporate/partnerships & institutes engaged in agri & allied activities:-
- a. Loans upto 2 crores covered under Direct Agriculture
 - b. Loans upto 1 crore direct agri
 - c. Loans above 2 crores covered un Indirect agr.
 - d. **a & c**

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114. Which of following is not part/category of Priority sector lending ?
- Agriculture
 - Micro & Small Enterprises
 - Loans to banks staff**
 - Housing & Education &,others
115. What changes were observed by Ernest T. Parkins from USA in Internet Banking?
- Reduction of Geographic Barriers
 - Commoditization of banking products
 - New competitive strategies adopted by competitor banks
 - All of the above**
116. According to the BCSBI codes bank has to inform the customer classifying his account as DORMANT / INOPERATIVE before
- 1 month
 - 3 months**
 - 2 months
 - on becoming dormant
117. Employee value is by deploying them in marketing and for cross selling / up selling opportunities, better business values and volumes.
- increased**
 - decreased
 - not affected
 - either a or b
118. Prepayments charges collected by branches should be credited to which account?
- Interest A/c**
 - Commission A/c
 - Exchange A/c
 - Current A/c
119. Banks distribute the following types of products in life and non life insurance business
- Regular Premium Individual Policies
 - Single Premium Individual Policies
 - Group Insurance Policies
 - All the above**
120. As a Corporate Agent , Banks can distribute the products of

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- a. One Life insurer
 - b. One Non Life (general) insurer
 - c. **One Life Insurer and One Non Life insurer**
 - d. Anyone of the above
121. What is the maximum amount that can be claimed as a deduction under 80C of the IT Act, 1961?
- a. Rs. 1,50,000
 - b. Rs. 1,20,000
 - c. **Rs. 1,00,000**
 - d. Rs. 30,000
122. The maximum number of Mutual Funds that can be distributed by Banks as a Corporate Agent is
- a. One
 - b. Two
 - c. Five
 - d. **No Limit**
123. What are priority sector targets for foreign banks as per extant guidelines now:-
- a. Foreign banks with 20 or more branches in India, are now at par with Indian banks i.e 40% target
 - b. Foreign banks have 32% targets irrespective of number of branches
 - c. Foreign banks with less than 20 branches in India, have 32% PS target
 - d. **a & c**
124. Loans up to _____ borrower to dealers /sellers of fertilizers, pesticides, seeds,cattle feed, poultry feed, agricultural implements and other inputs, is part of Indirect Agriculture:-
- a. 1 crore
 - b. 2 crore
 - c. 8 crore
 - d. **5 crore**
125. The process of turning raw data into useful information (so that banks can learn more about the pattern and behaviour of customers) is known as
- a. data warehousing
 - b. **data mining**
 - c. data clustering
 - d. data purification
126. EBPP in Internet Banking stands for ?

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- a. **Electronic Bill Presentment and Payment.**
 - b. Electronic Bill Passed for Payment.
 - c. Electronic Bill Presented for Payment.
 - d. Electronic Bill Presented for Passing.
127. **Claims with regard to Deceased depositors should be settled within a period of**
- a. 10 days
 - b. 15 days
 - c. 15 days from receipt of claim
 - d. **C & production of proof of death and other documents to banks satisfaction**
128. **Which of the following is a direct channel but not a remote channel?**
- a. ATM
 - b. **Branch**
 - c. Mobile Banking
 - d. Internet Banking
129. **Recovery Officer of Debt Recovery Tribunal be a judicial Officer**
- a. need
 - b. **need not**
 - c. either a or b
 - d. none of the above
130. **Loan origination not refers to**
- a. Information acquisition,
 - b. Credit appraisal and sanction,
 - c. Disbursement.
 - d. Repayment
131. **This is an important phase in the origination cycle as decisions made here affect the health of the portfolio.**
- a. **Credit appraisal and sanction**
 - b. Disbursement.
 - c. FOLLOW UP AND RECOVERY
 - d. None of the above
132. **Service charges under Priority sector lending are exempted for loans upto:**
- a. 10000/-
 - b. Rs 15000/-
 - c. **Rs 25000/-**
 - d. Rs 50000/-
133. **What is correct about Khadi village Industries loans under MSE in Priority sector ?**

Retail Banking

- a. All loans to KVI sector in rural areas only to be treated as micro.
 - b. All loans only in population upto 50000 as per planning commission,
 - c. **All loans sanctioned to units in the KVI sector, irrespective of their size of operations, location and amount of original investment in plant and machinery. Such loans will be eligible for classification under the sub-target of 60 percent prescribed for micro enterprises within the micro and small enterprises segment under priority sector.**
 - d. All loans to KVI sector in rural & semi urban but maximum upto 5 crore
- 134. What is correct about rate of interest under DRI scheme ?**
- a. 5% below base rate
 - b. 7% simple
 - c. to be decided by Govt of India presently 6%
 - d. **4% simple**
- 135. Which of following is true about overdrafts to no frills to be treated as priority sector ?**
- a. Overdrafts to No frills account upto maximum 25000/-
 - b. Overdrafts to No frills account upto maximum 25000/-but within rural areas only.
 - c. Overdrafts to No frills account upto maximum 50000/-in rural & semi urban areas.
 - d. **Overdraft upto 50000/- per account granted in no frills account/basic banking saving account**
- 136. provided borrowers threshold income limit do not exceed 60000/-in rural and 120000/- in non rural areas. BCSBI codes are**
- a. issued by GOI
 - b. Voluntary codes
 - c. Codes given by customers
 - d. **voluntary codes by bankers**
- 137. EFMA conducted a study on global Retail Banking market in**
- a. 1986
 - b. 1992
 - c. 2002
 - d. **2006**
- 138. EFMA conducted a study on global Retail Banking market covering Banks.**
- a. 132
 - b. **142**
 - c. 152
 - d. 162

Retail Banking

139. EFMA conducted a study on global Retail Banking market covering banks in Countries.
- 15
 - 20**
 - 25
 - 30
140. Which one is not one among the Europe's large private banks, the "Big Five"?
- Deutsche Bank AG
 - Bundesbank AG**
 - HypoVereinsbank AG
 - Commerzbank AG
141. Today many supermarkets offer free loyalty cards to customers that give them access to reduced prices not available to non-members. Why so?
- for effective data warehousing
 - for data verification
 - for data encryption
 - for effective data mining**
142. In PSBs, retail banking is carried on only as a
- separate departmental activity**
 - SBU (Strategic Business Unit)
 - either of a or b
 - both a and b
143. In foreign banks and new generation private sector banks, retail banking is carried on as a
- separate departmental activity
 - SBU (Strategic Business Unit)**
 - either of a or b
 - both a and b
144. A DMM (Dedicated Marketing Manager) should possess following qualities. Select the inappropriate one.
- Sales conversions
 - Market Intelligence
 - A DMA need not focus on loyalty factor as the loyalty factor is already attached with the PSBs.**
 - Product presentations to the identified customer segments

Retail Banking

145. **Corporate banking is a**
- B2C approach
 - B2B approach**
 - Either a or b
 - Neither a not b
146. **Head institutions of public sector banks in Europe are known as**
- Sparkassen
 - Bundesbank
 - Landesbanken**
 - None of the above
147. **ISP in Internet Banking stands for** ?
- Internet Service Punching.
 - Internet Service Providers.**
 - Internal Security Procedure.
 - Internal Security Provider.
148. **PDA in Internet Banking stands for** ?
- Personal Data Attendant.
 - Personal Data Assistant.
 - Personal Digital Assistants**
 - Personal Digital Analyzer.
149. **Which of the following services are not offered for Internet Banking customers?**
- View of Balance and last few transactions
 - Transfer of funds between accounts within the bank
 - Utility Payment facility payment of insurance premium, telephone bills, energy bills
 - None of the above**
150. **Which of the following was the beginning of the level of technology implementation in PSBs?**
- POS
 - Regional Net worked hubs
 - Total Branch Automation
 - Automated Ledger Posting Machines**
151. **Which of the following important human interventions are not available in physical channel in Service Delivery?**
- Internal Customer- Staff of the Branch.
 - Specialized Market Personnel
 - Direct Selling Associates (DSAs)
 - Net Banking and Mobile Banking.**

Retail Banking

152. **SBU in Internet Banking stands?**
- a. Small Business Unit
 - b. Strategic Business Unit**
 - c. Sophisticated Business Unit
 - d. Strategic Banking Unit
153. **Which of the following is the enabler for building and translating a customer data base into retail banking business?**
- a. Staff Approach
 - b. Technology**
 - c. Cross Selling
 - d. Up Selling
154. **When the data is available product wise on a stand alone basis, this model is known as _____.**
- i. Horizontally organized model
 - ii. Vertically organized model
 - iii. Predominantly Horizontally organized model
 - iv. Predominantly Vertically organized model
- a. both i and ii**
 - b. both i and iii
 - c. both iii and iv
 - d. both ii and iv
155. **Foreign banks cited in the topic, which entered in retail banking activities, when not able to achieve the business objectives,**
- a. Continued with their business in spite of not being profitable.
 - b. Moved out of the business.**
 - c. Changed their focus with some strategic changes.
 - d. None of the above
156. **Human interventions in the delivery of services are**
- a. Internal Customer - Staff of the Branch
 - b. Specialised Marketing Personnel
 - c. Direct Selling Associates (DSAs)
 - d. All the above.**

Retail Banking

157. An individual took a loan of Rs. 10.00 Lakhs for purchasing a plot of land during F.Y. 2005-06 & has paid around Rs. 1,10,000 towards Interest & around Rs. 57,000 towards principal during F.Y. 2006-07. He has not made any other contribution under Sections 80C, 80CCC, or 80CCD. He will be able to claim deduction oftowards principal.
- Rs. 1,50,000
 - Rs. 1,10,000
 - Rs. 57,000
 - Rs. 0**
158. Which of following is part of direct agriculture under Priority sector ?
- Loans upto 5 crore to dealers in fertilizers,pesticides,seeds etc.
 - Loans to distressed farmers indebted to non-institutional lenders.
 - Loans to small and marginal farmers for purchase of land for agricultural purposes.
 - b & c**
159. What is appropriate about incremental loans by banks under MSME to be reckoned as priority sector lending ?
- The incremental bank loans to medium service enterprises extended after November 13,2013, up to the credit limit of Rs. 10 crores, would qualify as Priority Sector Advances.
 - In line with the above, similar incremental loans to micro and small service enterprises upto the credit limit of Rs. 10 crores, (as against the present ceiling of Rs. 5 crores), shall also be treated as priority sector advances.
 - The above dispensation will remain in force up to March 31, 2014
 - All the above**
160. Misselling retail loans by a DSA (Direct Selling Agent) and the resultant dissatisfaction of the customer results in risk for the bank.
- credit
 - liquidity
 - operational
 - reputation**
161. Sales through Tie-Ups with auto dealers is more prevalent in
- PSBs
 - Private banks
 - foreign banks
 - co-operative banks
- both i and ii
 - both ii and iii**
 - both i and iii
 - both iii and iv

Retail Banking

162. **Cash Tree (a common networking arrangement) is owned by**
- UBI
 - OBC
 - BOI**
 - SBI
163. **Which of the following customer services are offered online?**
- Account monitoring (electronic statements, realtime account balanced)
 - Account management (bill payments, funds transfers, applying for products on-line)
 - Financial transactions (securities trading, foreign currency transactions)
 - All the above.**
164. **The implementation models followed by banks for retail banking are**
- Horizontally Organised Model
 - Vertically Organised Model
 - Predominantly Horizontally/Vertically Organised Model
 - Anyone of the above**
165. **Which is one of the pioneers in introducing consumer banking models with hybrid liability and asset products specifically targeted at the personal segment?**
- Andhra Bank
 - Standard Chartered Bank**
 - State Bank of India
 - Bank of Baroda
166. **Suppose you went to a restaurant and order a hamburger. The cashier / waiter ask you, "Do you want fries with that?" In this case, you are being**
- cross sold
 - up sold**
 - down sold
 - side sold
167. **Warranties on electronic purchases are examples of ____.**
- cross selling
 - up selling**
 - down selling
 - side selling
168. **The customer information is centralized and the functionality is provided across all products in ____.**
- Horizontally organized model
 - Vertically organized model**

Retail Banking

- c. Predominantly Horizontally organized model
 - d. Predominantly Vertically organized model
- 169. Parent documents for housing loans should be provided for**
- a. 20 yrs.
 - b. 25 yrs.
 - c. **30 yrs.**
 - d. None of the above.
- 170. Which bank created waves in the early 1980s with their credit card products?**
- a. Standard Chartered Bank
 - b. State Bank of India
 - c. **Citibank**
 - d. Bank of Baroda
- 171. Who were the two of the early players in the credit card business in the PSB space?**
- a. State Bank of India and Andhra Bank
 - b. **Bank of Baroda and Andhra Bank**
 - c. State Bank of India and Bank of Baroda
 - d. Bank of India and Andhra Bank
- 172. In which approach strategies are designed based on the type of branch viz., Rural. Semi Urban. Urban and Metro?**
- a. Segmented Approach
 - b. Geography based approach
 - c. **Classification based approach**
 - d. None of the above
- 173. The requirements for delivering effective service to the customers are**
- a. Understanding the customer, his income level, his financial profile, his needs, his requirements of financial products and his life stage
 - b. Customer Empathy
 - c. Post sales service follow up for customer satisfaction
 - d. **All the above**
- 174. What are the standard retail asset products offered by banks?**
- a. Housing Loans
 - b. Consumer Durable Loans
 - c. Car Loans
 - d. **All three**

Retail Banking

175. **Tie ups are not entered into by banks for bulk sale of the following assets**
- a. Home Loans
 - b. Auto Loans
 - c. **CC/OD Accounts**
 - d. Education Loans
176. **Electronic Channels in retail banking refers to**
- a. Facility of ATMs
 - b. Facility of Internet Banking
 - c. Facility of Mobile Banking
 - d. **All the above.**
177. **Which of the following country doesn't come under Europe - Non-eurozone?**
- a. Switzerland
 - b. Poland
 - c. Slovakia
 - d. **France**
178. **Liability products are offered to retail banking customers basically under?**
- a. Savings Accounts
 - b. Current Accounts
 - c. Term Deposit Accounts
 - d. **All three**
179. **Retail Banking is a**
- a. **B2C approach**
 - b. B2B approach
 - c. Either a or b
 - d. Neither a not b
180. **What is appropriate about targets under DRI scheme ?**
- a. 1% of outstanding as target of DRI
 - b. 2/3rd of DRI to be given through rural & semi urban branches.
 - c. 3/4th to be routed through rural/semi urban branches
 - d. **a & b**
181. **Credit to women beneficiaries is:**
- a. 5% of ANBC and part of priority sector lending
 - b. **5% of ANBC but outside Priority sector targets.**
 - c. 1% of ANBC outside Psector targets
 - d. 5% outstanding last year.

Retail Banking

182. is the first independent nation wide shared ATM network in India. It is also the largest private shared ATM network with IDBI Bank acting as the settlement bank.
- Infinet
 - Cash Tree
 - BANCS
 - Cashnet**
183. At which stage of product life cycle the product is likely to break even and start earning profits?
- introductory stage
 - maturity stage
 - growth stage**
 - development stage
184. Why CRM needed?
- Need to increase operational efficiencies and to derive more value from employees
 - Increasing Competition in retail banking
 - Delivery Channel Efficacy and application of technology
 - All the above**
185. Which of the following facilities is not available for mobile banking customers?
- Facility for using banking facility from anywhere
 - Easy operations - instructions carried out by self
 - Depositing Cash**
 - Transfer of funds between accounts - same bank and other banks
186. When the data is not shared with other products and product platform, i.e., the functionality is limited to one product only, this process model is known as ____.
- Horizontally organized model**
 - Vertically organized model
 - Predominantly Horizontally organized model
 - Predominantly Vertically organized model
187. Suppose you are viewing a 4GB iPod Nano for Rs. 4000 in a shop. The shopkeeper shows you Apple In- Ear Headphones with Remote and Mic worth Rs. 800. This is an example of ____.
- push sell
 - pull sell
 - up sell
 - cross sell**

Retail Banking

188. **Banking Codes and Standards of India is aimed at the following**
- promote good and fair banking practices by setting minimum standards increase transparency in services
 - encourage market forces, through competition, to achieve higher operating standards
 - promote a fair and cordial relationship between the customer and their bank
 - All the above**
189. **Bank's representatives authorized to represent the Bank in collection or/and security repossession would contact the borrower after**
- 0600 hrs
 - 0700 hrs**
 - 0800 hrs
 - 0900 hrs
190. **The technology models adopted by banks are**
- Fully outsourced model
 - Partially outsourced model
 - In house model
 - Anyone of the above**
191. **In the BCSBI code the words 'you' and 'we' refers to**
- The customer
 - the bank of the customer
 - the inspecting officer
 - Both A & B**
192. **What is the minimum age limit for applying for credit card?**
- 18 yrs
 - 20 yrs
 - 21 yrs**
 - no age limit
193. **What is maximum allowable amount per unit under SJSRY scheme?**
- Rs 1 lacs
 - Rs 5 lacs
 - Rs 2 lacs**
 - Rs 10 lacs
194. **Suppose you are viewing a 4GB iPod Nano for Rs. 4000 in a shop. The shopkeeper shows you 8 GB iPod Nano worth Rs. 6000. This is an example of ____.**
- push sell
 - pull sell
 - up sell**

Retail Banking

- d. cross sell
195. **Price structuring for products and services is attempted by banks in the following ways**
- Stand alone pricing for different products and services
 - Special quotes for high value deposits and retail assets
 - Bundled pricing/Holistic pricing based on total relationship
 - All the above**
196. **Certificate course for Direct Recovery Agents by IIBF has minimum hours of training.**
- 50
 - 75
 - 100**
 - 125
197. **The customer segment whose income level is between Rs. 10 lacs to Rs.50 lacs is referred to as**
- Mass Affluent**
 - Super Affluent
 - HNW
 - All the above
198. **Whether 2nd dose of loan is applicable under national rural livelihood mission?**
- No second loan at all
 - 2nd dose only for SC/ST beneficiaries living below poverty line
 - 2nd dose as per discretion of gram sabha committee
 - 2nd dose permissible but within overall subsidy condition**
199. **What is an income criterion under DRI scheme?**
- 24000/- in rural & 48000/- in urban
 - Rs 18000/- in rural area & Rs 24000/- in urban centres**
 - Rs 50000/- in all areas
 - Rs 240000/- p,a irrespective of location
200. **According to Maslow's Need Hierarchy Theory, needs may be broadly classified as**
- Physiological Needs
 - Safety Needs
 - Social Needs
 - All the above**

Retail Banking

201. Customers' expectations of service quality mainly depend on the following :
- Assurance
 - Reliability
 - Responsiveness
 - All the above**
202. Customer data integration is available to a certain extent for other products also in _____ organized process model.
- Horizontally
 - Vertically
 - Predominantly Horizontally**
 - Predominantly Vertically
203. The basic information is available across products for common services in _____ organized process model.
- Horizontally
 - Vertically
 - Predominantly Horizontally
 - Predominantly Vertically**
204. The bank employees have to give importance to customers based on their _____.
- portfolio of products**
 - current checking account balance
 - seniority (age)
 - number of accounts
205. Compounding is used to determine
- the future value of present cash flows**
 - the present value of future cash flows
 - Either a or b
 - None of the above
206. State whether the following is true
- Customers are different
 - Needs of the customers are different
 - Each customer will have different sets of need for financial services
 - All are true**

Retail Banking

- 207. The factors which are to be taken into account for calculation of Equated Monthly Installment (EMI) are...**
- a. Principal
 - b. No. of years of repayment
 - c. Rate of Interest
 - d. **All the above.**
- 208. Chennai and Kolkata have benches of Debt Recovery Tribunal**
- a. **2**
 - b. 3
 - c. 4
 - d. 5
- 209. The Presiding Officer of Debt Recovery Tribunal is generally a judge of the rank of**
- a. Supreme Court Judge
 - b. High Court Judge
 - c. **Dist. & Sessions Judge**
 - d. None of the above
- 210. Product architecture consists of the following component/s**
- a. The Generic Product - the core product
 - b. The Expected Product - adding additional features
 - c. The Augmented Product- adding value in addition to features
 - d. **All the above**
- 211. Credit Scoring Models are based on the following details of applicants:**
- a. Family Size
 - b. Income Levels
 - c. Occupation/Business
 - d. **All the above**
- 212. The most common mistakes in credit score will be due to the following;**
- a. Confusion of names
 - b. Human Input Error
 - c. Identity Theft
 - d. **All the above**
- 213. Retail Loan Processing Centres of banks are designed to**
- a. Source retail asset business
 - b. Process retail loans
 - c. Do the valuation/legal opinion wherever necessary
 - d. **Release the loan either at their end or advise sanction to branches**

Retail Banking

- 214. Home Loans are sanctioned by Banks for the following purposes**
- Purchase/Construction of House/Flat
 - Purchase of land and construction
 - Additions to the existing house
 - All the above**
- 215. What is correct about subsidy under National Rural Livelihood mission scheme ?**
- 30% max(7500/-),SC/ST 50% max 10000/-,SHG 50% max 1.25 lacs(Rs 10000 per member max)**
 - 25% for all(max 7500) Others 35% max 12000/-
 - 35% max 20000,others 40% max 15000/-
 - 40% project cost but max 35000 for all
- 216. What is criteria of reservation under National rural livelihood mission scheme ?**
- SC/ST 40, women 30%, 5% disabled
 - SC/ST 50%,women 40%, disabled 3%**
 - SC/ST 35%,women 45 % disbled 6%
 - SC/ST 50%,women 35%, disabled 2%
- 217. Auto Loans are given by banks for the following purposes**
- Purchase of New Car
 - Purchase of Used Car
 - Purchase of Two Wheelers
 - All the above**
- 218. Personal Loans are sanctioned by banks based on**
- Salary in case of employees
 - Monthly/Annual Income in case of business
 - Number of years of service/in business
 - All the above**
- 219. Types of credit cards issued by banks in general are**
- Silver Card
 - Gold Card
 - Platinum Card
 - All the above**
- 220. The features available in all types of cards are**
- Facility for payment of purchases
 - Facility to withdraw cash from ATMs upto a fixed limit
 - Reward Points for usage of cards.
 - All the above**

Retail Banking

- 221. The characteristics of Debit Cards are**
- Payments for purchases are directly debited into the account
 - Cash Withdrawals through ATMs are debited to the account immediately
 - Payments made for purchases/usage will be debited subsequently after a certain period
 - Both i and ii are true**
- 222. Payment Default Risk (chances of failure to pay the card dues) is embedded in**
- Debit Cards
 - Credit Cards
 - Both i and ii
 - Only ii**
- 223. Discounting is used to determine**
- the future value of present cash flows
 - the present value of future cash flows**
 - Either a or b
 - None of the above
- 224. The process of converting future sums into their present equivalents is known as**
- Compounding
 - Discounting**
 - Either a or b
 - None of the above
- 225. Home Loans are not sanctioned by Banks for the following purposes**
- Purchase/Construction of House/Flat
 - Purchase of land/plot**
 - Additions to the existing house
 - Purchase of land and construction
- 226. If a bank is not able to respond to a situation in time in internet banking, this is called**
- Internet banking risk
 - Strategic risk**
 - Reputation risk
 - Operational risk
- 227. Minimum amount due (MAD) is calculated at what % of the total current dues of the credit card.....**
- 5**
 - 7
 - 8
 - 10

Retail Banking

228. Website of a bank permits its customers to submit their instructions and application for different services etc but do not permit any fund based transaction on their account. This is.....
- a. Basic level internet banking services
 - b. Simple transaction website**
 - c. Fully transactional website
 - d. None of these
229. Following types of account are not permitted under Internet banking
- a. Jointly operated accounts**
 - b. Joint account in E/s
 - c. Proprietorship accounts
 - d. Any of these
230. Service delivery is generally more personalised and caring in which of the following category of banks ...
- a. Public sector banks
 - b. Private banks
 - c. Foreign banks
 - d. All of these**
231. In a simple registered mortgage the deed of mortgage is to be registered within months of its date of execution
- a. 1
 - b. 3
 - c. 6
 - d. 4**