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Consumer Banking
BNK603

“Customers also vary in their opinions about what it means to be treated well in a service environment” this challenge belongs to which type of the variability?
Request variability
Capability variability
Arrival variability
Subjective preference variability
LESSON 33
Subjective Preference Variability: Customers also vary in their opinions about what it means to be treated well in a service environment.
Consumers in this market are more likely to trust a friend or family member than a salesperson they don’t know, such type of networks comes under the head of:
Formal communication
Informal communication
Direct communication
Indirect communication
LESSON 25
Consumers in this market are more likely to trust a friend or family member than a salesperson they don’t know. Leveraging such informal communication networks can become a powerful sales tool.
Which of the following is NOT the code of consumer banking?
To promote good banking practice
To increase transparency
To foster confidence in the banking system
To promote personal relations
LESSON 14
The Code of Consumer Banking Practice for retail banking customers has been developed to:
1. Promote good banking practices by setting minimum standards in dealing with you;
2. Increase transparency so that you can have a better understanding of what you can reasonably expect of the services.
3. Promote a fair and cordial relationship between you and your bank;
4. Foster confidence in the banking system

Consumer Banking
BNK603- Quiz#04

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Question # 1 of 15
Why most of the people in the BOP are being exploited by the middlemen?

They lack access to market to sell their labor
They lack access to market to sell their crops
They are bound to sell to the local employees only
All of the given options
LESSON 21
Dependence on informal or subsistence livelihoods: Most in the BOP lack good access to markets to sell their labor, handicrafts, or crops and have no choice but to sell to local employers or to middlemen who exploit them.

Question # 2 of 15
The emerging technology-driven financial service(s) may include:

Bank-centric models
Electronic currency
Mobile commerce systems
All of the given options
LESSON 22
The emerging technology-driven financial services include bank-centric models, electronic currency, and mobile commerce systems.

Question # 3 of 15
How bank can improve ethical standards regarding dealing with their customers?

By increasing awareness and the level of financial literacy
By reviewing the transparency of the pricing mechanism
By offering a choice between fixed and floating rates
By informing them the pros and cons of financial lending
LESSON 10
Considering the low level of financial literacy of the average consumer, mainly due to the low level of awareness and the prevailing literacy rate in the country, banks would need to review the transparency of the pricing mechanism and offer a choice between fixed and floating rates to the customers, while informing them of the pros and cons associated with each option. Such initiatives will also help in improving the ethical standards of banks' dealing with their customers.
(All 4 options in this mcq are correct).

Question # 4 of 15
_____are what customers expect automatically in dealing with any bank, and in most cases, any business

Baselines expectations

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Interactive expectations
Importance and relevance
Emotional relevance and personal importance
LESSON 35
Baselines expectations are what customers expect automatically in dealing with any bank, and in most cases, any business.

Question # 5 of 15
To build and sustain a growing business in financial services, institutions need:

Vision
Mission
Pragmatism
Vision and Pragmatism
LESSON 18
To build and sustain a growing business in financial services, institutions need a combination of vision and pragmatism.

Question # 6 of 15
Which of the following approach to poverty reduction tend to address unmet needs for health care, clean water or other basic necessities by setting targets for meeting those needs through direct public investments, subsidies, or other handouts?

Traditional approach
Market based approach
Marked driven approach
Both market-based approach and traditional approach
LESSON 22
Traditional approaches tend to address unmet needs for health care, clean water or other basic necessities by setting targets for meeting those needs through direct public investments, subsidies, or other handouts.

Question # 7 of 15
Finalta believes that _____is driven by the comparison of expectation and actual experience.

Emotional relevance
Customer interaction
Interactive expectations
Customer satisfaction
LESSON 36
Finalta believes that customer satisfaction is driven by the comparison of expectation and actual experience.

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Question # 8 of 15
The potential for increased agricultural production is one of the "_____" that often lies untapped in BOP communities.

Hidden assets
Capital assets
Fixed assets
Biological assets
LESSON 24
The potential for increased agricultural production is one of the "hidden assets" that often lies untapped in BOP communities.

Question # 9 of 15
Raising the income and consumption level of the BOP will place immense pressure on already-stretched resources such as:

Land
Water
Energy & ecosystems
All of the given options
LESSON 24
Raising the income and consumption level of the BOP will place immense pressure on already-stretched resources such as land, water, energy and ecosystems.

Question # 10 of 15
Why Asian banks should adopt Enterprise Risk Management (ERM)?

Banks face complex risks that are highly interdependent, and an ERM framework enables a bank to manage all major risks and their interdependencies.
An ERM framework provides the overall architecture for a bank's risk management program.
Empirical research and industry surveys have indicated that there are clear business benefits for adopting an ERM program.
All of the given options
LESSON 31
There are three key reasons why Asian banks should adopt ERM without delay:
1. Banks face complex risks that are highly interdependent, and an ERM framework enables a bank to manage all major risks and their interdependencies.
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Question # 11 of 15
Equity investors want to see _____; rating agencies want to minimize_____.

Return; risk of default
Risk of default; return
Profit; per unit cost
Dividend; interest rate
LESSON 29
Equity investors want to see a return; rating agencies want to minimize risk of default.

Question # 12 of 15
Dealing with _____ is a central challenge in making a service offering profitable.

Variability
Reliability
Consistency
Inefficiency
LESSON 33
Dealing with that variability is a central challenge in making a service offering profitable.

Question # 13 of 15
The _____means the way in which business and affairs of each institution is directed and managed by their 'Board of Directors' and the 'Management'.

Audit
Compliance
Good Governance
Corporate governance
LESSON 08
The corporate governance means the way in which business and affairs of each institution is directed and managed by their 'Board of Directors' and the 'Management'

Question # 14 of 15
How the loan is continuously watched over, after it is approved and draws down allowed?

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By keeping track of borrower's compliance with credit terms
By identifying early signs of irregularity
By conducting periodic valuation of collateral and monitoring timely repayments
All of the given options
LESSON 39
After the loan is approved and draw down allowed, the loan is continuously watched over. This includes keeping track of borrower's compliance with credit terms, identifying early signs of irregularity, conducting periodic valuation of collateral and monitoring timely repayments.

Question # 15 of 15
This holistic approach is based upon the view that a Moment of Truth is any interaction that, if done correctly:

Increases the trust of the customer for the bank
Increases the profit of the bank
Increases the expectations of the customers
None of the given options
LESSON 36
This holistic approach is based upon the view that a Moment of Truth is any interaction that, if done correctly, increases the trust of the customer for the bank.

Consumer Banking
BNK603- Quiz#04
Lesson 01-42
Shared & solved by Mehreen Humayun
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Question # 1 of 15
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Question # 2 of 15

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Profit; per unit cost
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LESSON 29

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Question # 12 of 15
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Question # 15 of 15

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Increases the expectations of the customers
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LESSON 36
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Consumer Banking
BNK603
Lesson 01-32

Which of the following Key component of an Enterprise Risk Management (ERM) integrate risk management into the revenue generating activities of the bank, including business development, product and relationship management, pricing and so on?
Corporate governance
Line management
Portfolio management
Risk modeling
LESSON 31
Line management to integrate risk management into the revenue generating activities of the bank, including business development, product and relationship management, pricing and so on.

Which of the following Key component of an Enterprise Risk Management (ERM) aggregate risk exposures, incorporate diversification effects and monitor risk concentrations against established risk limits?
Corporate governance
Line management
Portfolio management
Stakeholders' management
LESSON 31
Portfolio management to aggregate risk exposures, incorporate diversification effects and monitor risk concentrations against established risk limits.

Why low income consumers are generally more willing to accept an unfamiliar product?
It carries a well-known brand

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It is endorsed by a trustworthy institution
It carries low price with high quality
It is a well-known brand and endorsed by a trustworthy institution
LESSON 25
Low income consumers are generally more willing to accept an unfamiliar product if it carries a well-knownbrand or is endorsed by a trustworthy institution.

Which of the following stakeholders increasingly demand enhanced risk disclosure?
Rating agencies
Business partners
Institutional investors
All of the given options
LESSON 31
Additionally, key stakeholders such as institutional investors, rating agencies, and business partners will increasingly demand enhanced risk disclosure.

Risk professionals from different banks interact and learn about each other's risk management practices by which of the following strategy?
Hiring risk experts
Establishing training and certification program
Revise performance measurement and incentives
Conducting industry benchmarking exercises
LESSON 32
Conduct Industry Benchmarking Exercises: A common practice among European and North American banks is industry benchmarking, whereby risk professionals from different banks interact and learn about each other's risk management practices.

Join us @ .

Customers who are not a natural fit with the company and who are not happy anyway are categorized as:
False profits
True Profits
Dissatisfied
Unhappy and unprofitable
LESSON 16
In the lower left are the "unhappy and unprofitable"—the buyers who are not a natural fit with the company and who are not happy anyway.

To serve customers efficiently, companies often work to reduce the_____ and achieve economies of scale through centralized production in large factories.
Select correct option:
Fixed cost of products
Variable cost of products
Unit cost of products

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All of the given options
LESSON 22
To serve customers efficiently, companies often work to reduce the unit costs of products and achieveeconomies of scale through centralized production in large factories.

How leading institutions can improve their chances of sustainable growth?
By using technology appropriately
Invest in, develop and reward the right talent
By investing time in careful planning and communication
All of the given options
LESSON 18

In a _____ employees' performance is measured by the number of products they sell.
Product-push approach'
Relationship approach'
Customer-push approach'
Performance measurement approach
LESSON 17
Unlike a product-push approach, where employees' performance is measured by the number of products they sell, a relationship approach takes a broader view.

Join us @ .

How bank can improve ethical standards regarding dealing with their customers?
By increasing awareness and the level of financial literacy
By reviewing the transparency of the pricing mechanism
By offering a choice between fixed and floating rates
By informing them the pros and cons of financial lending
LESSON 10
Considering the low level of financial literacy of the average consumer, mainly due to the low level of awareness and the prevailing literacy rate in the country, banks would need to review the transparency of the pricing mechanism, and offer a choice between fixed and floating rates to the customers, while informing them of the pros and cons associated with each option. Such initiatives will also help in improving the ethical standards of banks' dealing with their customers.
(All 4 options in this mcq are correct).

What does the high interest rate spread in Pakistan indicates?
Competitiveness in the banking sector is absent
Competitiveness in the banking sector is very poor
Competitiveness in the banking sector is very good
Competitiveness in the banking sector is either absent or very poor
LESSON 13

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High interest rate spread indicates that competitiveness in the banking sector in Pakistan is either absent or is very poor.

As per the SBP guidelines what is the definition of financial risk in a banking organization?

The possibility that the organization will not achieve the targeted profit
That possibility that the EBIT of the organization will not be adequate
The possibility that the outcome of an action or event could bring up adverse impacts
All of the given options
LESSON 26
Defining Risk: For the purpose of these guidelines financial risk in banking organization is possibility that the outcome of an action or event could bring up adverse impacts.

Key performance indicators (KPIs) are designed to measure and track which of the following the primary success factor(s) for a bank?

Profitability
Credit quality
Operational efficiency
All of the given options
LESSON 32
Key performance indicators (KPIs) are designed to measure and track the primary success factors for a bank, such as profitability, credit quality, and operational efficiency.

Which of the following principle of bank ensure that the procedures laid down for the bank's staff reflects the commitments?

Fairness
Transparency
Accountability
Reliability
Accountability: Ensure that the procedures laid down for the bank's staff reflect the commitments set out in the Code.

Which of the following activity may NOT include in contingency planning?

Financial Planning
Disaster recovery planning
Damage control
Litigation strategy
LESSON 26
Contingency planning activities include disaster recovery planning, public relations damage control, litigation strategy, responding to regulatory requirements etc.

Which of the following is helpful in deciding what to do, not how to do it?

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Wisdom
Understanding
Knowledge
Information
LESSON 20
Information is data that has been made useful. Information answers who, what, where, when, and how many questions. Information is helpful in deciding what to do, not how to do it.

A large part of the_____ success is based on advisors' efforts to be close to their clients.
Product-push approach'
Relationship approach'
Customer-push approach'
Performance measurement approach
LESSON 17
A large part of the relationship approach's success is based on advisors' efforts to be close to their clients.
Which of the following factors may NOT influence an organization's risk appetite?
People
External environment
Business systems and policies
None of the given options
LESSON 29
Factors such as the external environment, people, business systems and policies will all influence an organization's risk appetite.

Question # 1 of 15
Which of the following customer interface refers to the way the firm "goes to the market", how it actually reaches the customers?

Fulfillment and Support
Information and Insight
Relationship Dynamics
Pricing Structure

Question # 2 of 15
People who have little discretionary spending power, they are generally able to support their basic needs and will require intervention only to improve the level and consistency of their existing incomes, belong to which income segment?

Lowest

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Middle
Top
Belong to middle and lowest level
Question # 3 of 15
State recognizes people as_____, whereas markets treat people as consumers and value them as customers
Citizens
Nation
Civilians
Population
Question # 4 of 15
For which of the following area(s) Bank regulators in Asia are establishing new standards?

Risk and capital management
Portfolio management techniques
Financial examination
Reporting requirements
Question # 5 of 15
_____is basic to human survival and it must be shared, strengthening, socially responsible and sustainable.
Creation
Consumption
Production
Conservation

Question # 6 of 15
How leading institutions can improve their chances of sustainable growth?
By using technology appropriately
Invest in, develop and reward the right talent
By investing time in careful planning and communication
All of the given options
Question # 7 of 15
Dealing with _____ is a central challenge in making a service offering profitable.

Variability
Reliability
Consistency
Inefficiency
Question # 8 of 15
At a large European financial institution, the most critical success factor identified was:

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Attitude of the customers
Attitude of the branch manager
Attitude of the president
Attitude of the Vice President

Question # 9 of 15
Customers who are not a natural fit with the company and who are not happy anyway are categorized as:

False profits
True Profits
Dissatisfied
Unhappy and unprofitable

Question # 10 of 15
Which of the facilities are NOT available in e-banking?

Fast withdrawal of cash
Balance inquiry
Transfer funds
None of the given option

Question # 11 of 15
Which of the following principle of bank ensure that the information provided to the customers are up-to-date?

Fairness
Transparency
Accountability
Reliability

Question # 12 of 15
Why Banks in Europe and North America are relatively confident in their capabilities for credit risk, market risk, and asset-liability management?

Since they face risk management challenges rapidly
Since they went through dramatic structural changes
Since they have made significant improvements over the past decade
Since they have made significant improvements in risk management

Question # 13 of 15
Which kind of document is required from the customer to determine their true identity?

Attested photocopy of CNIC
Attested copy of service card
A thumb impression on the signature card
Nature of the document required depends upon the type of the customer

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Question # 14 of 15
Why low income consumers are generally more willing to accept an unfamiliar product?

It carries a well-known brand
It is endorsed by a trustworthy institution
It carries low price with high quality
It is a well-known brand and endorsed by a trustworthy institution

Question # 15 of 15
Which of the following stakeholders increasingly demand enhanced risk disclosure?

Rating agencies
Business partners
Institutional investors
All of the given options

Consumer Banking
BNK603-Quiz#03
Lesson 01-35

Shared by Muhammad Adil Ghous
Solved by Mehreen Humayun

Question # 1 of 15
In order to ensure effective monitoring and governance, the risk appetite will incorporate a balanced mix of:

Quantitative measures
Qualitative measures
Both quantitative and qualitative measures
None of the given options

LESSON 29
In order to ensure effective monitoring and governance, the risk appetite will incorporate a balanced mix of both quantitative and qualitative measures.

Question # 2 of 15

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Operating costs and default rates for consumer finance loans in emerging markets are generally low, making these loans extremely_____.

Attractive
Expensive
Cheaper
Profitable

LESSON 19

What's more, operating costs and default rates for consumer finance loans in emerging markets are generally low, making these loans extremely profitable.

Question # 3 of 15

Which of the following approach to poverty reduction focuses on people as consumers and producers and on solutions that can make markets more efficient, competitive and inclusive?

Traditional approach
Market based approach
Marked driven approach
Both market based approach and traditional approach

LESSON 22

A market-based approach thus focuses on people as consumers and producers and on solutions that can make markets more efficient, competitive, and inclusive—so that the BOP can benefit from them.

Question # 4 of 15

Which of the following is the ability to perceive outcomes and determine their value?

Wisdom
Understanding
Knowledge
Information

LESSON 20

Wisdom is the ability to perceive outcomes and determine their value.

Question # 5 of 15

Which of the following customer interface refers to the nature of the interaction between the producer and the consumer?

Fulfillment and Support
Information and Insight
Relationship Dynamics
Pricing Structure

LESSON 01

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Relationship Dynamics: This element refers to the nature of the interaction between the producer and the customer.

Question # 6 of 15
Which of the following is/are the code of consumer banking?

To promote good banking practice
To increase transparency
To foster confidence in the banking system
All of the given options

LESSON 14
The Code of Consumer Banking Practice for retail banking customers has been developed to:
1. Promote good banking practices by setting minimum standards in dealing with you;
2. Increase transparency so that you can have a better understanding of what you can reasonably expect of the services;
3. Promote a fair and cordial relationship between you and your bank;
4. Foster confidence in the banking system

Question # 7 of 15
“Customers do not all want service at the same time or at times necessarily convenient for the company” this challenge belongs to which type of the variability?

Request variability
Capability variability
Arrival variability
Effort variability

LESSON 33
Arrival Variability: The first type of variability that creates challenges for service companies is an obvious one: Customers do not all want service at the same time or at times necessarily convenient for the company.

Question # 8 of 15
_____could include property for which a family has tenancy rights but no legal title.

Undocumented capital
Personal resources
Community resources
Underutilized assets

LESSON 22
Undocumented capital could include property for which a family has tenancy rights but no legal title.

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Question # 9 of 15
Which of the following approach ensures that senior management are ‘on the same page’ on risk appetite?

Top-down
Down the line
Down-top
Bottom-up

LESSON 29
Another benefit of the top-down approach is that it ensures that senior management are ‘on the same page’ on risk appetite.

Question # 10 of 15 (Start time: 11:46:56 AM) Total Marks: 1
_____is an established financial product across the globe, particularly in mature economies.

Terrorist finance
Credit finance
Consumer finance
Money laundering

LESSON 09
Consumer finance is an established financial product across the globe, particularly in mature economies, where it constitutes a significant portion of banks’ lending portfolios.

Question # 11 of 15
Growth in consumer finance carries _____significance for the society.

Social
Economic
Political
Both social and economic

LESSON 09
Access to, and growth in, consumer finance carries both social and economic significance for the Society.

Question # 12 of 15
Which of the following are the typical measures of risk used to monitor exposure compared with the stated risk appetite?

Risk threshold
Risk tolerance
Both Risk thresholds and risk tolerances
None of the given options

LESSON 30

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Risk thresholds, or risk tolerances, are the typical measures of risk used to monitor exposure compared with the stated risk appetite.

Question # 13 of 15
Which of the following does NOT belong to the Quality (component of value proposition in service industry)?

Clarity
Accuracy
Consistency
Completeness

Question # 14 of 15
What is the objective of a relationship based approach?

To develop strong trust
To develop long term relations
To understand client needs and meet them
All of the given options

LESSON 15
The objective of a relationship approach is to understand client needs and meet them, and to develop such strong trust that the client does not even consider moving to another provider.

Question # 15 of 15
Why most of the people in the BOP are being exploited by the middlemen?

They lack access to market to sell their labor
They lack access to market to sell their crops
They are bound to sell to the local employees only
All of the given options

LESSON 21
Dependence on informal or subsistence livelihoods: Most in the BOP lack good access to markets to sell their labor, handicrafts, or crops and have no choice but to sell to local employers or to middlemen who exploit them.

Consumer Banking
BNK603-Quiz#03
Lesson 01-35
Solved by Mehreen Humayun

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Dependence on informal or subsistence livelihoods: Most in the BOP lack good access to markets to sell their labor, handicrafts, or crops and have no choice but to sell to local employers or to middlemen who exploit them.

Question # 2 of 15
The interconnectivity of business and operating model makes _____ changes highly complex.

Transformational changes
Transitional changes
Structural changes
All of the given options
LESSON 02
This interconnectivity makes structural change highly complex and the process of change can, in itself, be a cause of operating model failure.

Question # 3 of 15
A bank's ability to measure, monitor, and steer risks comprehensively is becoming a decisive parameter for its_____.

Strategic positioning
Policy formulation
Risk management
Marketing strategies
LESSON 26
A bank's ability to measure, monitor, and steer risks comprehensively is becoming a decisive parameter for its strategic positioning.

Question # 4 of 15
The high difference between lending and deposit rates indicates that:

The depositors are not getting due returns
Huge profits are being earned by the banks
Banks are earning more at the cost of the depositors
All of the given options
LESSON 13

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The high difference between lending and deposit rates indicates that the depositors are not getting due returns, as compared to huge profits being earned by the banks. Indeed, the lending rates have increased and deposit rates have decreased over the last few years.

Question # 5 of 15

Which of the following approach to poverty reduction often focus on the very poor, proceeding from the assumption that they are unable to help themselves and thus need charity or public assistance?

Traditional approach

Market based approach

Marked driven approach

Both market based approach and traditional approach

LESSON 22

Traditional approaches often focus on the very poor, proceeding from the assumption that they are unable to help themselves and thus need charity or public assistance.

Question # 6 of 15

To succeed in this challenging market, companies need to work with other players to develop the right:

Products

Services

Delivery mechanism

All of the given options

LESSON 25

To succeed in this challenging market, companies need to work with other players to develop the right products, services, and delivery mechanisms.

Question # 7 of 15

Which of the following consists of explanations?

Wisdom

Understanding

Knowledge

Information

LESSON 20

Understanding consists of explanations. Understanding answers why questions.

Question # 8 of 15

Emerging markets often offer greater _____than developed markets but they also pose a different set of challenges.

Financial assistance

Growth potential

Interest rates

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Profits
LESSON 20
Emerging markets often offer greater growth potential than developed markets but they also pose a different set of challenges.

Question # 9 of 15
For which of the following area(s) Bank regulators in Asia are establishing new standards?

Risk and capital management
Portfolio management techniques
Financial examination
Reporting requirements
LESSON 31
Bank regulators in Asia are establishing new standards for risk and capital management.

Question # 10 of 15
Having moved from a _____to a _____approach, banks continue to employ broad brushstrokes to segment their customer base.

Product-centric, customer-centric
Customer-centric, Product-centric
Product quality, customer satisfaction
Profit oriented, customer oriented
LESSON 06
Having moved from a product-centric to a customer-centric approach, banks continue to employ broad brushstrokes to segment their customer base.

Question # 11 of 15
Which of the following are the typical measures of risk used to monitor exposure compared with the stated risk appetite?

Risk threshold
Risk tolerance
Both Risk thresholds and risk tolerances
None of the given options
LESSON 30
Risk thresholds, or risk tolerances, are the typical measures of risk used to monitor exposure compared with the stated risk appetite.

Question # 12 of 15
State recognizes people as_____, whereas markets treat people as consumers and value them as customers

Citizens

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Nation
Civilians
Population
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Consumer or Citizen: State recognizes people as citizens, whereas markets treat people as consumers and value them as customers. Even markets are located within the States.

Question # 13 of 15
The 'credit crunch' – virtual freezing up of lending by banks – is primarily a developed market problem, created in the_____.

Developing world
Developed world
Underdeveloped world
All of the given option
LESSON 19
The 'credit crunch' – the virtual freezing up of lending by banks – is primarily a developed market problem, created in the developed world.

Question # 14 of 15
Which of the following is appointed for acknowledging, addressing, handling and investing all the complaints in a fair and prompt manner?

National Bank of Pakistan is appointed for this purpose
Any Commercial Bank of Pakistan is appointed for this purpose
A person and the unit/section is appointed for this purpose
A team nominated by the scheduled banks is appointed for this purpose
LESSON 12
According to the guidelines, the person and the unit/section appointed for this purpose is responsible for acknowledging, addressing, handling and investigating all the complaints in a fair and prompt manner.

Question # 15 of 15
Who has the responsibility of recovery of dues from borrowers?

Collection department
Loan recovery department
Credit department
Cash department
LESSON 13
Recovery of dues from borrowers is the responsibility of the 'collection department'.
Question # 1 of 15
Why most of the people in the BOP are being exploited by the middlemen?

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They lack access to market to sell their labor
They lack access to market to sell their crops
They are bound to sell to the local employees only
All of the given options
LESSON 21
Dependence on informal or subsistence livelihoods: Most in the BOP lack good access to markets to sell their labor, handicrafts, or crops and have no choice but to sell to local employers or to middlemen who exploit them.

Question # 2 of 15
The interconnectivity of business and operating model makes _____ changes highly complex.

Transformational changes
Transitional changes
Structural changes
All of the given options
LESSON 02
This interconnectivity makes structural change highly complex and the process of change can, in itself, be a cause of operating model failure.

Question # 3 of 15
A bank's ability to measure, monitor, and steer risks comprehensively is becoming a decisive parameter for its_____.

Strategic positioning
Policy formulation
Risk management
Marketing strategies
LESSON 26
A bank's ability to measure, monitor, and steer risks comprehensively is becoming a decisive parameter for its strategic positioning.

Question # 4 of 15
The high difference between lending and deposit rates indicates that:

The depositors are not getting due returns
Huge profits are being earned by the banks
Banks are earning more at the cost of the depositors
All of the given options
LESSON 13
The high difference between lending and deposit rates indicates that the depositors are not getting due returns, as compared to huge profits being earned by the banks. Indeed, the lending rates have increased and deposit rates have decreased over the last few years.
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State recognizes people as_____, whereas markets treat people as consumers and value them as customers

Citizens
Nation
Civilians
Population
LESSON 04

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Fast withdrawal of cash
Balance inquiry
Transfer funds
None of the given option
LESSON 02
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Interconnectivity of business and operating model makes _____ changes highly complex.
Transformational changes
Transitional changes
Structural changes
All of the given options
LESSON 02
This interconnectivity makes structural change highly complex and the process of change can, in itself, be a cause of operating model failure
How outsourcing has become significant in recent past?
Because various core activities are being handled by outside vendors
Because various core activities are being handled by stakeholders
Because various core activities are being handled by shareholders
Because various core activities are being handled by the Government
LESSON 05
Outsourcing has become significant in recent past because various core activities such as hardware and software maintenance, entire ATM set up and operation (including cash, refilling) etc., are being handled by outside vendors.

Which of the following customer interface refers to the nature of the interaction between the producer and the consumer?
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Information and Insight
Relationship Dynamics
Pricing Structure
LESSON 01
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Which of the following is the significant achievement of the consumer financing?
Providing access to purchasing power to the middle class consumer
Providing access to purchasing power to the Elite class Consumer

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Providing access to purchasing power to the lower class consumer
Providing access to purchasing power to all type of consumers
LESSON 09
Providing access to purchasing power to the middle class consumer has been the most significant achievement of this product class.

Banks are required to maintain a general reserve at least equivalent to _____ of the consumer portfolio which is unsecured.
0.5%
1%
1.5%
5%
LESSON 11
The banks / DFIs shall maintain a general reserve at least equivalent to 1.5% of the consumer portfolio which is fully secured and 5% of the consumer portfolio which is unsecured.

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Citizens
Nation
Civilians
Population
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Which of the following constitutes a significant portion of banks' lending portfolios?
Credit finance
Foreign Exchange
Consumer finance
Money laundering
LESSON 09
Consumer finance is an established financial product across the globe, particularly in mature economies, where it constitutes a significant portion of banks' lending portfolios.

_____is an established financial product across the globe, particularly in mature economies.
Terrorist finance
Credit finance
Consumer finance
Money laundering

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Which of the following changes are rarely undertaken by the business and operating models?

Transformational changes

Transitional changes

Structural changes

All of the given options

LESSON 02

Transformational changes to the business and operating model are rarely undertaken, but the current environment provides a 'perfect storm' of the driving forces behind such wholesale reconstruction.

:

:

Any act or attempted act to disguise the source of money or assets derived from criminal activity is known as:

White money

Credit creation

Money laundering

Withdrawal of money

LESSON 08

According to the United Nations, the term Money Laundering is defined as "Any act or attempted act to disguise the source of money or assets derived from criminal activity.

Which of the following is/are the basic step/s in the action theory learning process?

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Discovery of espoused and theory-in-use

Production of new actions and generalization of results

All of the given options

LESSON 07

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(3) production of new actions, and

(4) generalization of results.

:

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Which of the following factors have influenced more customers to shop around for financial services?

Growth in online banking

Awareness of financial services products

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Increased competition between established players
All of the given options
LESSON 05

Consumer financing is designed for which type of services??
Financial support to enhance living standard
Financial support for education purposes
Financial Support for wedding expenses
None of the given options
LESSON 05
The concept of consumer financing is based on the need for an institutional arrangement that provides consumers with financing support to enhance their consumption and, as a result, improve their standards of living.

Which of the following could be indicator of financial health of the household sector?
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LESSON 05

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Financial support for education purposes

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None of the given options

LESSON 05

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Consumer Banking
BNK603-Quiz#02
Lesson 01-13
Shared by Ali Ahmad

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Question # 1 of 15

Which of the following is NOT the role of CFC (Card Facilitation Centre)?

Managing e-banking channels

Balancing of suspense account

Maintaining database of cases of customers (resolved/unresolved)

Maintaining data base of cases of customers (unresolved)

LESSON 12

CFC is a unit responsible for managing e-banking channels and maintaining database of cases (resolved/unresolved) of its own customers and balance in suspense account.

Question # 2 of 15

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Which of the following customer interface refers to the way the firm "goes to the market", how it actually reaches the customers?

Fulfillment and Support

Information and Insight

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Pricing Structure

LESSON 01

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Fulfillment and Support: This refers to the way the firm “goes to the market”, how it actually reaches customers ---which channels it uses, what kind of customer support it offers, and what level of service it provides.

Question # 4 of 15

The key element(s) of the core strategy include:

Business Mission
Product/Market Scope
Basis of Differentiation
All of the given options

LESSON 01

Core Strategy: Core strategy is the essence of ‘how’ the firm chooses to compete. The key elements of Core Strategy include:

1. Business Mission
2. Product/Market Scope
3. Basis of Differentiation

Question # 5 of 15

Which of the following factor(s) tend to reduce the financial flexibility of a business model?

Capital intensity
Big debt load
High fixed cost
All of the given options

LESSON 02

Capital intensity, a big debt load, high fixed cost ---such factors tend to reduce the financial flexibility of a Business Model.

Question # 6 of 15

How diversified portfolio enables bank to reduce their dependence on few or single borrower?

Due to small customer base
Due to huge customer base
Due to economies of scale
Due to large deposits

LESSON 05

Diversified portfolio due to huge customer base enables bank to reduce their dependence on few or single borrower.

Question # 7 of 15

Consumer financing is designed for which type of services??

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Financial support for education purposes
Financial Support for wedding expenses

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None of the given options

LESSON 05

The concept of consumer financing is based on the need for an institutional arrangement that provides consumers with financing support to enhance their consumption and, as a result, improve their standards of living.

Question # 8 of 15

While extending financing facilities to the customers, the banks / DFIs should ensure that the _____ is commensurate with monthly income and repayment capacity of the borrower.

Total installment of the loans

Principal amount of the loan

Interest on the loan

None of the given options

LESSON 11

While extending financing facilities to their customers, the banks / DFIs should ensure that the total installment of the loans extended by them is commensurate with monthly income and repayment capacity of the borrower.

Question # 9 of 15

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The high difference between lending and deposit rates indicates that the depositors are not getting due returns, as compared to huge profits being earned by the banks. Indeed, the lending rates have increased and deposit rates have decreased over the last few years.

Question # 11 of 15

How bank can improve ethical standards regarding dealing with their customers?

By increasing awareness and the level of financial literacy

By reviewing the transparency of the pricing mechanism

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By offering a choice between fixed and floating rates
By informing them the pros and cons of financial lending
LESSON 10 **(no Idea, as all 4 options are correct)**
Considering the low level of financial literacy of the average consumer, mainly due to the low level of awareness and the prevailing literacy rate in the country, banks would need to review the transparency of the pricing mechanism, and offer a choice between fixed and floating rates to the customers, while informing them of the pros and cons associated with each option. Such initiatives will also help in improving the ethical standards of banks' dealing with their customers.

Question # 12 of 15
What is the common trait between money laundering and terrorist financing?
Concealment
Legitimate
Revelation
None of the given options
LESSON 08
The common trait between money laundering and terrorist financing is concealment.

Question # 13 of 15
For every type of consumer finance activity, the bank / DFI shall develop a specific program that includes the _____parameters for the eligibility of the borrower.
Objective
Quantitative
Qualitative
Objective and Quantitative
LESSON 11
For every type of consumer finance activity, the bank / DFI shall develop a specific program. The program shall include the objective / quantitative parameters for the eligibility of the borrower and determining the maximum permissible limit per borrower.

Question # 14 of 15
Banks are required to maintain a general reserve at least equivalent to _____ of the consumer portfolio which is fully secured.
0.5%
1%
1.5%
5%
LESSON 11
The banks / DFIs shall maintain a general reserve at least equivalent to 1.5% of the consumer portfolio which is fully secured.

Question # 15 of 15
Which of the facilities are NOT available in e-banking?
Fast withdrawal of cash
Balance inquiry
Transfer funds
None of the given option

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LESSON 02

Question # 1 of 15

How outsourcing has become significant in recent past?

Because various core activities are being handled by outside vendors

Because various core activities are being handled by stakeholders

Because various core activities are being handled by shareholders

Because various core activities are being handled by the Government

LESSON 05

Outsourcing has become significant in recent past because various core activities such as hardware and software maintenance, entire ATM set up and operation (including cash, refilling) etc., are being handled by outside vendors.

Question # 2 of 15

Which of the following is not the key component of profit boosters?

Increasing Returns

Competitor Lock-out

Strategic Marketing

Strategic Flexibility

LESSON 02

The key components of profit boosters are:

I. Increasing Returns
II. Competitor Lock-out
III. Strategic Economies
IV.

Question # 3 of 15

Which of the following factors have influenced more customers to shop around for financial services?

Growth in online banking

Awareness of financial services products

Increased competition between established players

All of the given options

LESSON 05

Question # 4 of 15

_____is basic to human survival and it must be shared, strengthening, socially responsible and sustainable.

Creation

Consumption

Production

Conservation

LESSON 04

Consumption is basic to human survival and it must be shared, strengthening, socially responsible and sustainable. Therefore, we all are consumers, whether of goods or of services, whether purchased or otherwise, and whether provided by the market or the public sector.

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Question # 5 of 15

Both the mass retail segment and the small business segment deliver the scale Bank needs and act as a _____for future mid-market clients.

Feeder channel

Customer channel

Product channel

Both customer and product channel

LESSON 07

Both the mass retail segment and the small business segment deliver the scale Bank needs and act as a feeder channel for future mid-market clients.

Question # 6 of 15

Right to basic need does not include:

Clothing

Shelter

Education

Healthy environment

LESSON 04

The Right to Basic Needs means the right to basic goods and services which guarantee survival. It includes adequate food, clothing, shelter, health care, education and sanitation.

Question # 7 of 15

Consumer Financial Protection Agency mandate is to ensure that consumers of financial products:

Have the information they need to make wise financial decisions

Are protected from abuse, discrimination, and unfair and deceptive practices

Have access to financial services

All of the given options

LESSON 04

CFPA Mandate is to ensure that consumers of financial products:

I. Have the information they need to make wise financial decisions

II. Are protected from abuse, discrimination, and unfair and deceptive practices

III. Have access to financial services

IV. Ensure the financial services market operates fairly and efficiently

Question # 8 of 15

Which of the following changes are rarely undertaken by the business and operating models?

Transformational changes

Transitional changes

Structural changes

All of the given options

LESSON 02

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Transformational changes to the business and operating model are rarely undertaken, but the current environment provides a 'perfect storm' of the driving forces behind such wholesale reconstruction.

Question # 9 of 15

Which of the following customer interface refers to the nature of the interaction between the producer and the consumer?

Fulfillment and Support

Information and Insight

Relationship Dynamics

Pricing Structure

LESSON 01

Relationship Dynamics: This element refers to the nature of the interaction between the producer and the customer.

Question # 10 of 15

The _____means the way in which business and affairs of each institution is directed and managed by their 'Board of Directors' and the 'Management'.

Audit

Compliance

Good Governance

Corporate governance

LESSON 08

The corporate governance means the way in which business and affairs of each institution is directed and managed by their 'Board of Directors' and the 'Management'.

Question # 11 of 15

A vision imposed by the new team at the top cascades down through the organization in the form of changes to the_____.

Business model

Operating model

Both operating and business Models

None of the given option

LESSON 03

This new vision then cascades down through the organization in the form of changes to the business and operating models.

Question # 12 of 15

Their low-balance customers are happy using self-assisted channels, what is required by High-balance customers?

They like internet banking

ATM is required the most

They need experienced branch staffers

Their need is fulfilled by the call centre

LESSON 06

Not surprisingly, their channel preferences also differ. High-balance customers want experienced branch staffers to whom they can turn in case of need.

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Question # 13 of 15
Which of the following factor(s) tend to reduce the financial flexibility of a business model?

Capital intensity
Big debt load
High fixed cost
All of the given options
LESSON 02
Capital intensity, a big debt load, high fixed cost ---such factors tend to reduce the
financial flexibility of a Business Model.

Question # 14 of 15
What is the common trait between money laundering and terrorist financing?
Concealment
Legitimate
Revelation
None of the given options
LESSON 08
The common trait between money laundering and terrorist financing is concealment.

Question # 15 of 15
System is a group of which of the following components?
Interacting
Interrelated
Interdependent
All of the given options
LESSON 01
System is a group of interacting, interrelated, and interdependent components that form a complex and unified whole.

Question # 1 of 15
The interconnectivity of business and operating model makes _____ changes highly complex.
Transformational changes
Transitional changes
Structural changes
All of the given options
LESSON 02
This interconnectivity makes structural change highly complex and the process of change can, in itself, be a cause of operating model failure.
Question # 2 of 15

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Among different dimensions of the customer value package which one of the dimension represents that Banking is a service business with no tangible products but still it needs actual delivery in certain items?
Financial
Procedural
Interpersonal
Deliverable
LESSON 02
Deliverable: Although banking is a service business with no tangible products but certain items still needs actual delivery while maintaining quality standards.
.
.
Question # 3 of 15
Which of the following customer interface refers to the way the firm "goes to the market", how it actually reaches the customers?
Fulfillment and Support
Information and Insight
Relationship Dynamics
Pricing Structure
LESSON 01
Fulfillment and Support: This refers to the way the firm "goes to the market", how it actually reaches customers ---which channels it uses, what kind of customer support it offers, and what level of service it provides.
Question # 4 of 15
Their low-balance customers are happy using self-assisted channels, what is required by High-balance customers?
They like internet banking
ATM is required the most
They need experienced branch staffers
Their need is fulfilled by the call centre
LESSON 06
Not surprisingly, their channel preferences also differ. High-balance customers want experienced branch staffers to whom they can turn in case of need.
Question # 5 of 15
_____ key element(s) of the core strategy include:
Business Mission
Product/Market Scope
Basis of Differentiation
All of the given options
LESSON 01
Core Strategy: Core strategy is the essence of 'how' the firm chooses to compete. The key elements of Core Strategy include:
1. Business Mission
2. Product/Market Scope
3. Basis of Differentiation
Question # 6 of 15

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Having moved from a _____to a _____approach, banks continue to employ broad brushstrokes to segment their customer base.
Product-centric, customer-centric
Customer-centric, Product-centric
Product quality, customer satisfaction
Profit oriented, customer oriented
LESSON 06
Having moved from a product-centric to a customer-centric approach, banks continue to employ broad brushstrokes to segment their customer base.
.
.
Question # 7 of 15
Which of the following factor(s) tend to reduce the financial flexibility of a business model?
Capital intensity
Big debt load
High fixed cost
All of the given options
LESSON 02
Capital intensity, a big debt load, high fixed cost ---such factors tend to reduce the financial flexibility of a Business Model.
Question # 8 of 15
Any act or attempted act to disguise the source of money or assets derived from criminal activity is known as:
White money
Credit creation
Money laundering
Withdrawal of money
LESSON 08
According to the United Nations, the term Money Laundering is defined as “Any act or attempted act to disguise the source of money or assets derived from criminal activity.
.
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Question # 9 of 15
_____that negatively affect the reputation and standing of banks is known as:
Market risk
Credit risk
Reputational risk
Financial risk
LESSON 08
Reputation is a key business asset, however intangible. Risks that negatively affect the reputation and standing of banks have increased considerably in the last decade.
Question # 10 of 15
Right to basic need does not include:
Clothing
Shelter

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Education
Healthy environment
LESSON 04
The Right to Basic Needs means the right to basic goods and services which guarantee survival. It includes adequate food, clothing, shelter, health care, education and sanitation.
Question # 11 of 15
How outsourcing has become significant in recent past?
Because various core activities are being handled by outside vendors
Because various core activities are being handled by stakeholders
Because various core activities are being handled by shareholders
Because various core activities are being handled by the Government
LESSON 05
Outsourcing has become significant in recent past because various core activities such as hardware and software maintenance, entire ATM set up and operation (including cash, refilling) etc., are being handled by outside vendors.
Question # 12 of 15
A growing concern for_____, particularly in the context of a liberalizing economy, is the information inequity in the market.
Consumers
Customers
Citizens
People
LESSON 04
A growing concern for consumers, particularly in the context of a liberalizing economy, is the information inequity in the market.
Question # 13 of 15
Which of the dimension of the customer value package refers to the various processes involved while entering into/ maintaining a relationship with the bank?
Financial
Procedural
Interpersonal
Deliverable
LESSON 02
Procedural: This refers to the various processes/steps involved while entering into/maintaining a relationship with the bank.
.
.
Question # 14 of 15
How transaction cost is reduced simultaneously with increase in ability to handle huge volumes of business?
By hiring more employees
By adopting latest technology
By enhancing Human Resource department
None of the given options
LESSON 06

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The key to reduction in transaction costs simultaneously with increase in ability to handle huge volumes of business lies only in technology adoption.
Question # 15 of 15
Which of the following customer interface refers to all the knowledge that is collected from and utilized on behalf of the customers?
Fulfillment and Support
Information and Insight
Relationship Dynamics
Pricing Structure
LESSON 01
Information and Insight: This refers to all the knowledge that is collected from and utilized on behalf of the customers.
BNK603-MCQ Solved with Ref-Mehreen Humayun-01
Tuesday, 12 April 2011 10:27

Consumer Banking
BNK603-Quiz#01
Lesson 01-08
Shared & Solved by Mehreen Humayun
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Which of the following is not the key component of profit boosters?
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Competitor Lock-out
Strategic Marketing
Strategic Flexibility
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The key components of profit boosters are:
Increasing Returns
Competitor Lock-out
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Strategic Economies

Question # 3 of 15
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Transitional changes
Structural changes
All of the given options
LESSON 02
Transformational changes to the business and operating model are rarely undertaken, but the current environment provides a ‘perfect storm’ of the driving forces behind such wholesale reconstruction.
Question # 6 of 15
A firm with a large user’s base, rapidly extracting feedback from those users, can improve its products & services faster than its competitors by:
Network Effect
Positive Feedback Effects
Learning Effects
None of the given options
LESSON 02
Positive Feedback Effects: It refers specifically to the way one uses market feedback to turn an initial lead into an unbridgeable chasm for competitors. A firm with a large users' base, and a way of rapidly extracting feedback from those users, may be able to improve its products & services faster than its competitors.
Question # 7 of 15

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Right to basic need does not include:
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Shelter
Education
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Consumption
Production
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Select correct option:
Concealment
Legitimate
Revelation
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LESSON 08

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Question # 12 of 15

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Credit risk

Reputational risk

Financial risk

LESSON 08

Reputation is a key business asset, however intangible. Risks that negatively affect the reputation and standing of banks have increased considerably in the last decade.

Question # 13 of 15

Consumer financing is designed for which type of services??

Financial support to enhance living standard

Financial support for education purposes

Financial Support for wedding expenses

None of the given options

LESSON 05

The concept of consumer financing is based on the need for an institutional arrangement that provides consumers with financing support to enhance their consumption and, as a result, improve their standards of living.

Question # 14 of 15

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Operating model

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LESSON 03

This new vision then cascades down through the organization in the form of changes to the business and operating models.

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