

221- Marketing of Financial Services – I

1. What is the regulatory framework that governs the Indian banking system?

- a. RBI Act
- b. SEBI Act
- c. IRDA Act
- d. FDI Act

Answer: a. RBI Act

2. What is the primary role of banks in the economy?

- a. Providing entertainment services
- b. Facilitating economic growth and development
- c. Environmental conservation
- d. Agricultural production

Answer: b. Facilitating economic growth and development

3. What are the key components of the regulatory tools used by the Reserve Bank of India (RBI)?

- a. E-wallets and cryptocurrencies
- b. Cash reserve ratio, statutory liquidity ratio, repo, and reverse repo
- c. Mutual funds and insurance policies
- d. Venture capital and private equity

Answer: b. Cash reserve ratio, statutory liquidity ratio, repo, and reverse repo

4. What does KYC stand for in the context of banking?

- a. Keep Your Currency
- b. Know Your Customer
- c. Keep Your Credit
- d. Knowledge Yielding Currency

Answer: b. Know Your Customer

5. What is the purpose of the Cash Reserve Ratio (CRR) in banking?

- a. To regulate the flow of currency in circulation
- b. To manage the credit risk
- c. To control inflation
- d. To encourage digital transactions

Answer: a. To regulate the flow of currency in circulation

6. What is the primary importance of E-banking?

- a. Reducing human involvement in banking
- b. Increasing paperwork
- c. Eliminating the need for technology
- d. Ignoring customer convenience

Answer: a. reducing human involvement in banking

7. What distinguishes E-banking from Traditional Banking?

- a. E-banking involves offline channels
- b. Traditional Banking is faster
- c. E-banking relies on electronic delivery channels
- d. Traditional Banking has no technological aspect

Answer: c. E-banking relies on electronic delivery channels

8. Which technology is NOT considered an E-banking technology?

- a. ATM
- b. Branch networking
- c. Fax machine

d. Mobile phone banking

Answer: c. Fax machine

9. What is a phishing attack?

a. A fishing expedition

b. A type of malware

c. An attempt to obtain sensitive information through fraudulent means

d. A type of computer virus

Answer: c. An attempt to obtain sensitive information through fraudulent means

10. What is the primary purpose of Payment Banks in E-banking?

a. Providing long-term loans

b. Facilitating international trade

c. Offering payment services to the unbanked population

d. Issuing credit cards

Answer: c. Offering payment services to the unbanked population

11. What distinguishes Merchant Banking from Retail Banking?

a. Type of currency used

b. The focus on corporate services and investment banking

c. Size of the bank

d. Location of the bank branches

Answer: b. The focus on corporate services and investment banking

12. What is NOT a role and responsibility of a merchant banker?

a. Corporate consultancy

- b. Identifying potential investment opportunities
- c. Retail loan processing
- d. Capital structuring

Answer: c. Retail loan processing

13. What does Trade Transactions involve in the context of Merchant Banking?

- a. Retail transactions
- b. Import and export activities
- c. Residential property transactions
- d. Foreign exchange transactions

Answer: b. Import and export activities

14. What is the primary advantage of Leasing/Hire Purchase?

- a. Lower interest rates
- b. Ownership at the end of the term
- c. Immediate ownership
- d. Flexibility in payment

Answer: d. Flexibility in payment

15. What is the scenario of Housing Finance in India?

- a. High-interest rates
- b. Limited institutions involved
- c. Low rate of interest
- d. Decreasing demand for housing loans

Answer: c. Low rate of interest

16. What is a significant disadvantage of Credit Cards?

- a. Convenient payment method
- b. High-interest rates
- c. Enhanced purchasing power
- d. Low annual fees

Answer: b. High-interest rates

17. What is the primary function of Credit Rating Services?

- a. Offering loans
- b. Assessing creditworthiness
- c. Handling retail transactions
- d. Providing investment advice

Answer: b. assessing creditworthiness

18. What does Factoring involve in financial services?

- a. Forecasting financial trends
- b. Selling accounts receivables to a third party
- c. Financial advisory services
- d. Currency exchange services

Answer: b. Selling accounts receivables to a third party

19. What are the objectives of marketing financial products?

- a. Reducing consumer awareness
- b. Ignoring market trends
- c. Enhancing customer understanding of financial products
- d. Avoiding market competition

Answer: c. Enhancing customer understanding of financial products

20. What is the marketing mix for financial services?

- a. Product, price, promotion, and people
- b. Product, place, promotion, and profit
- c. Product, promotion, process, and paperwork
- d. Product, price, place, and promotion

Answer: d. Product, price, place, and promotion

21. Which platform has the advantage of speed, scale, and reach in digital marketing?

- a. Television
- b. Print media
- c. Social media
- d. Seminars

Answer: c. Social media

22. What is the future potential for growth in the marketing of financial services?

- a. Decline due to technological advancements
- b. Limited growth potential
- c. High growth potential with emerging technologies like AI and Blockchain
- d. Stable growth with traditional marketing methods

Answer: c. High growth potential with emerging technologies like AI and Blockchain

23. What is CRM in the context of financial services?

- a. Customer Relationship Management
- b. Cash Reserve Management

- c. Credit Risk Management
- d. Centralized Record Management

Answer: a. Customer Relationship Management

24. What does the customer journey involve in buying financial services?

- a. Linear process without touchpoints
- b. A series of interactions and touchpoints
- c. Single-step process
- d. Involves only online interactions

Answer: b. A series of interactions and touchpoints

25. What technology is NOT mentioned in the context of the future of financial marketing?

- a. Chatbots
- b. AI
- c. Virtual Reality (VR)
- d. Telepathy

Answer: d. Telepathy