

PGDM (RM) 2019-21
Retail Banking
RM-407
Trimester – IV: End-Term Examination: September 2020

Time allowed : 2 Hrs 30 Min
Max Marks : 50

Roll No: _____

Instruction : Students are required to write Roll No. on every page of the question paper. Writing anything except the Roll No. will be treated as Unfair Means. All other instructions on the reverse of Admit Card should be followed meticulously.

Section A : Attempt 3 out of 6 questions as per below choices. All questions carry 10 marks each (Total : 30 Marks).

Ques A1a What are Third Party products in Retail Banking and how is their cross-selling done !! Explain with examples. (CILO 3)

OR

Ques A1b Please explain salient features of Housing Loans, Education Loans and Export Credit with examples. (CILO 3)

Ques A2a Outline risk parameters for Secured Loans and Unsecured Loans for a Retail Bank with examples. (CILO 2)

OR

Ques A2b Explain different types of services offered by Retail Banks in India along with emerging trends and challenges. (CILO 2)

Ques A3a List out the current Banking Structure of Indian Banking system with suitable explanation relating to each category. (CILO 1)

OR

Ques A3b What is Retail Mantra in banking !! What is its role in the socio economic development of a country like India !! (CILO 1)

Compulsory : Case Study (Total 20 marks)

(CILO 2)

SBI to focus on cost reduction, rationalization to mitigate Covid-19 impact : Chairman, SBI

State Bank of India (SBI) will focus on cost reduction, rationalization and reskilling of workforce and improve staff productivity by redeploying workforce from administration offices to sales roles as it mitigates the impact of the Covid-19 pandemic on its business, Chairman Rajnish Kumar said. India's largest lender by assets and branch network plans to save Rs 1,000 crore through such cost optimization.

"Bank will maintain a constant vigil on the emerging stress and take proactive action, to help our borrower customers and maintain asset quality. The Bank has stepped up its monitoring of all the projects under implementation and expects to tide over COVID impact in the short to medium term," Kumar said.

The SBI chairman said that the fiscal 2021 will be a challenging year due to the Covid-19, however SBI's strong liability franchise with a customer base of over 44 crores, diversified loan portfolio, digital banking channels and identified legacy stress will help it to navigate this period.

SBI will further scale up its YONO digital banking app and has set a target of doubling user registrations in the next six months with new additions on the platform like end to end home loans, pre-approved car loan and personal gold loans, Kumar said.

The bank ended fiscal 2020 with a deposit growth of 11.34% to Rs 32.42 lakh crore from Rs 29.11 lakh crore a year earlier, increasing its market share by 46 basis points to 22.84%. Total advances grew by 5.64% to Rs 24.23 lakh crore in fiscal 2020 from Rs 22.93 lakh crore a year earlier, led by a 15.40% growth in personal loans.

On deposit growth, Kumar says that "one reason is that we have satisfied customers. But there are also two-three other factors and one of them is that there is more money in the system. It is because of the liquidity measures taken by RBI. And within that, of course, we have got a higher share. That has happened because of our distribution reach. We have tried hard to bring about a qualitative change as far as the customer service is concerned, in terms of a strong technology platform. There were some irritants for the customers like monthly average balance, SMS charges etc., so the bank took some big decisions around customer-friendly policies and there is also the SBI name trust factor on the top of anything."

Questions on Case Study (10 marks each). The students are free to incorporate any latest information to prove their point of view.

Ques 1 : Evaluate in your own words the issues highlighted in the case study with further solutions.

Ques 2 : How will banks in India be able to meet the challenges posed by Covid-19 !!