

the outset, the commercial banks find it difficult to take their own decisions independently because of the regulatory controls imposed by the Government and RBI.

The techniques and strategy of marketing in banks and development of bank covers a very wide segment. The technique is a method of providing various need based services to the customer. The strategy deals with matching the techniques with the needs of various market segments so as to foster economic development. The marketing plan is a key document which sets down precisely who is to do what, when, where and how. Banks are important financial intermediaries which accept deposits from the public for the purpose of lending and investment. Through this function bank provides many services like remittances, demand draft issue, mail transfer, safe deposit vaults etc. Apart from these traditional services others services. One such as Merchant Banking portfolio Mgt, leasing, hire- purchase etc are services that have been added in recent years.

(i) The banking sector is passing through a period of rapid change in response to the changes in the social economic, political and cultural spheres, the world over. Analyse the above statement by considering the importance of marketing of banking services.

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(ii) Considering the above case construct and prepare a marketing mix of the banking industry.

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AQ-1343A

**M.B.A. Semester-III Examination**

**BANKING SYSTEM**

**Paper- MBA/3102/F**

Time : Three Hours]

[Maximum Marks : 70

**Note :-** (i) Attempt ALL questions.

(ii) Figures to the right indicate marks to the questions.

**SECTION-A**

1. (a) Explain in detail the role and functions of R.B.I. in the economic development of the country. 14

**OR**

- (b) What is agricultural credit ? What are the guidelines issued by Reserve Bank of India for agricultural credit ? Discuss. 14

**SECTION-B**

2. (a) What is Merchant Banking ? Explain the services provided by Merchant Banking. 7
- (b) Suppose you are working as a branch manager in TSB bank which follows a traditional and manual banking system. Day by day the customers are increasing and the staff is not able to give proper services to customers. Customers are dissatisfied because of the system. So they have started to shift their account to other banks so as a result bank

started suffering losses. Suggest a remedial action to overcome the above problem. How would the bank serve in this competitive era ? 7

**OR**

- (c) Discuss the term "banking in the new millennium". 7
- (d) Ratnakar wants to do his post graduate study after his graduation in B.Com. through education loan. Suggest available choice of suitable financing institute he should approach. Also suggest him the procedure to take education loan. 7
3. (a) Discuss the major issues of Banking Sector in India. 7
- (b) Mr. Shailesh runs a business. He wants to extend his business activities. For this purpose, he obtains a loan from your bank. He repays the loan installment on regular basis but after a few months, he is unable to pay the loan installments. As an officer what measures will you take to stop the account from becoming NPA ? 7

**OR**

- (c) Fundamental principles on which credit is generally based on 'character, capacity and capital.' Explain in detail. 7
- (d) 'ACE' Private Ltd. Scheduled Bank intends to open its branch at Amravati and Akola. What procedure will be required to follow for obtaining licence and other requirements ? 7
4. (a) What is Bank Credit Culture ? Explain the significance of Sound Credit Culture. 7

- (b) "A banker is bound to honor his customers cheque". To what extent is this true ? Discuss in detail. 7

**OR**

- (c) What is risk ? What are the risks associated with banks ? 7
- (d) Nishikant is a borrower of one nationalised bank. He obtained loan from the bank, but he failed to repay the loan. What measures should the bank adopt to recover its dues ? 7

### **SECTION-C**

#### **5. Case Study**

Bank plays a vital role in the economy of a country, a bank needs to publicise its own activity. So every bank must-prepare a well thought programme of advertising, keeping in mind the twin objectives of its own progress and the progress of the country. Advertising is one of the major tools by which a firm directs communication to the prospective buyer and the public. Therefore marketing of banking services plays a key role in the banks by providing useful information to the public. Bank advertising is not easy one, as it's breaking the old habits and forming new ones. There are five major areas in bank advertising, they are preparing budgets, flexibility appeals and strategy, media and evaluation. The basic purpose of marketing of banking services is to inform the public about the bank and its activities. The marketing organisation in a developing bank lays stress on promotional and operations and advertising the services both through the media and personal selling or through exhibitions for educating the people.

There are a number of obstacles which hamper the efforts to regional customer services with marketing. At