

Name:	
Enrolment No:	

UNIVERSITY OF PETROLEUM AND ENERGY STUDIES
End Semester Examination, December 2018

Course: Marketing of Financial Service	Semester: 3rd
Programme: BBA(FSA)	CC: FINC 2002
Time: 03 hrs.	Max. Marks: 100
Instructions:	

SECTION A

S. No.		Marks	CO
Q 1	Write short notes: a) Lease b) Saving vs Investment c) Mutual Fund d) Insurance e) DD f) O/D g) Factoring h) M-Banking i) IRDA j) Cash Credit	(2 X 10 =20)	1

SECTION B

Q 2	“An organization that underwrites securities and advises such clients on issues like corporate mergers, involving in the ownership of commercial ventures”. What we call such organizations and highlight the services offered by such organizations.	10	2
Q 3	Suppose you are a sales executive of an insurance company. You have a target to sell young child education policy, so plan your target audience and pitch content for marketing the policy.	10	4

SECTION-C ATTEMPT ANY FIVE

Q 4	Banks and Financial institutions that offer more than one product or service can promote to customers’ different products and services they deliver based on need, behavior or demography. Which type of selling is define in the statement, explain.	6	3
Q 5	Explain the marketing metric used to calculate the percentage of a customer's spending for a type of product or service that goes to a particular company.	6	2
Q 6	The market offers different opportunities, each represented broadly by different segment. In the light of above statement, explain the importance of segmentation.	6	2
Q 7	Explain the financial service in which the business entity sells its bill receivables to a third party at a discount in order to raise funds.	6	1
Q 8	How digital marketing is reshaping financial services.	6	3
Q 9	A good plan will enable a bank or <i>financial services</i> provider to identify the customers' needs and wants, thus enabling the bank to build strategies for any profitable segment identified. Explain.	6	3

SECTION-D

	<p>SBI stands for State Bank of India. It is a public sector institution (government owned), with a huge customer base all over India. It has seven associate banks operating under its SBI name. It has over thirteen thousand branches across India and in some selected international countries and a 56,000 ATM network across India. The Standard Bank of India „inherited“ the Bank of Calcutta, which was founded in 1806, and has been in existence for over two hundred years.</p> <p>On the other hand, the ICICI is a private sector bank (privately owned), with a relatively smaller clientele base. It is one of the major banks in India (precisely the second largest), but much smaller than the SBI. It has 950 branches, with 3,500 branches across India. The bank has deposits of Rs 1.65 lakh crore compared to SBI’s Rs 3.8 lakh crore (accumulated in a period of twelve years), racking up a net worth of Rs 22,000 against Rs 27,000 for the State Bank of India. This represents Rs 9 crore business generated by each ICICI employee per year, compared to Rs 3 crore worth of business per employee of the ICICI. While the State Bank pays 4.7 percent on deposits, and earns less on advances, the ICICI pays 0.7 less (4 percent), while earning more on advances, and thus earns 0.4 percent more on assets than the SBI. This is no surprise, as there’s seemingly limitless access to funds from the government for the state owned SBI.</p> <p>On money transfers from overseas accounts, with the SBI, once a transfer transaction is completed, you will be able to know the exchange rate used, and there are no restrictions on the amounts you can transfer a day. However, the ICICI transfer is somewhat different. After completion of a money transfer transaction, the exchange rate can only be known after five days, and there is a daily limit of \$5000 that can be transferred a day.</p> <p>Although the SBI has generally performed well in the past, in recent years, the ICICI has seen very good performance, almost edging out the SBI in every aspect, especially financially. The financial years between 2001-2002 and 2005, and 2006, saw very strong gains for the ICICI bank. Its deposits grew by 200 percent, five times more than the SBI’s, and while SBI’s revenue grew by 30 percent and the ICICI bank’s revenue grew by seven times that percentage. This trend means that ICICI’s growth will eventually overtake SBI’s in the future, in terms of deposits.</p> <ol style="list-style-type: none"> 1. The SBI is a government owned bank (public sector), while ICICI is a privately owned bank (private sector). 2. The SBI is much older (more than 200 years old) and more established than the ICICI, which is less than 25 years old. 3. The SBI does not limit daily international transfer amounts, while the ICICI limits daily transfers to \$5000 a day. 4. The SBI bank pays a higher percentage on deposits than the ICICI bank. 		
Q	<p>Highlight the difference between these two banks in terms of:</p> <ol style="list-style-type: none"> 1. Marketing strategy 2. Branch service delivery 3. E-Banking 	10 X 3 = 30	3,4