20 One-Liners to Remember

Quick-fire facts for last-minute revision.

1. **JAIIB candidates study bank operations as part of the Retail Banking & Wealth Management (RBWM) paper.**
The bank operations chapter covering approaches, models, products and pricing is examined within the RBWM paper of JAIIB.

2. **Retail banking in India is generally organised through three approaches: SBU, Departmental, and Integrated.**
These three organisational approaches decide how a bank structures and runs its retail banking business.

3. **The Strategic Business Unit (SBU) Approach runs retail banking as a focused unit with its own objectives.**
Under the SBU approach, retail banking is managed as an independent unit with defined targets and accountability.

4. **New private and foreign banks in India typically favour the SBU approach to retail banking.**
These banks anchor retail operations around defined customer, business and profit targets as a standalone unit.

5. **Public sector banks (PSBs) in India generally manage retail banking through the Departmental Approach.**
PSBs usually run retail banking as a department within the larger bank rather than as a separate business unit.

6 **The Departmental Approach treats retail banking as a department within the larger bank structure.**
This approach integrates retail activity into existing departmental hierarchies instead of a standalone unit.

7 **The Integrated Approach weaves retail banking activity into the bank's overall business plan.**
Under this approach, retail banking is not separated out but forms part of the bank's broader strategy.

8 **The Boston Consulting Group (BCG) study "Transforming Retail Banking Processes" defined four process models.**
BCG's study identified horizontal, vertical, predominantly horizontal and predominantly vertical process models for retail banking.

9 **A vertically organised process model is built around a centralised customer database.**
This model delivers functionality across products from a single, unified view of the customer.

10 **A horizontally organised process model is modular, running a separate process for each product.**
This model keeps product processing largely product-wise rather than centred on a shared customer database.

11 **Most public sector banks in India run the horizontally organised process model for retail operations.**

PSBs typically process products in a modular, product-wise manner rather than through a fully centralised customer database.

12 **Liability products in retail banking include Savings, Current and Term Deposit accounts.**

These deposit accounts represent funds banks owe to customers, classifying them as liability products.

13 **Standard retail asset products include home loans, car loans, consumer durable loans, personal loans and credit cards.**

These lending products represent amounts owed to the bank by customers, classifying them as retail assets.

14 **The step-up pricing model offers a low introductory interest rate that later switches to market-linked pricing.**

This pricing strategy attracts customers early with a lower rate before shifting to market-related pricing after an initial period.

15 **The step-up pricing model is commonly used to drive demand for products such as housing loans.**

Banks use an attractive introductory rate under this model to encourage customers to take up home loans.

16. **The JAIIB RBWM exam uses objective MCQs covering knowledge, application and case-based questions.**
Candidates are tested through multiple-choice questions spanning conceptual recall as well as applied scenarios.

17. **The JAIIB exam is conducted in online, computer-based mode.**
IIBF administers JAIIB as a computer-based online examination rather than a paper-based test.

18. **As per the current JAIIB pattern, there is no negative marking for wrong answers.**
Since incorrect answers do not deduct marks, candidates are advised to attempt every question rather than leaving it blank.

19. **Retail banking is generally described as a mass-market model compared to wholesale or corporate banking.**
Retail banking targets a broad base of individual customers, unlike corporate banking which serves a smaller set of business clients.

20. **Branches can be classified by business potential under a segmented approach used by some PSBs with wide networks.**
This approach tailors marketing techniques to each branch based on its targeted business potential.

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