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20 True or False

Decide, then check the answer and reason below each statement.

Question 1

The JAIIB RBWM paper covers retail banking approaches, process models, products and pricing strategies.

TRUE

Bank operations, a chapter within RBWM, deals with exactly these topics.

Question 2

Public sector banks in India generally follow the Departmental Approach to retail banking.

TRUE

PSBs typically manage retail banking as a department within the larger bank rather than as a separate unit.

Question 3

New private and foreign banks in India generally prefer the Departmental Approach over the SBU approach.

FALSE

New private and foreign banks generally favour the Strategic Business Unit (SBU) approach, not the Departmental Approach.

Question 4

The Strategic Business Unit (SBU) Approach runs retail banking as a focused, independent unit with its own objectives.

TRUE

Under the SBU approach retail banking operates as a distinct unit with defined goals and accountability.

Question 5

A vertically organised process model is modular and uses a separate process for each product.

FALSE

That description fits the horizontally organised model; the vertical model is built around a centralised customer database.

Question 6

A horizontally organised process model uses a separate, modular process for each product.

TRUE

The horizontal model is product-focused, with largely stand-alone processing for each product.

Question 7

Home loans and car loans are classified as liability products in retail banking.

FALSE

Home and car loans are retail asset products; liability products are deposit accounts like savings, current and term deposits.

Question 8

Savings, Current and Term Deposit accounts are examples of liability products.

TRUE

These deposit accounts represent amounts the bank owes customers, making them liability products.

Question 9

The step-up pricing model starts with a low introductory rate and later shifts to market-linked pricing.

TRUE

This is the defining feature of the step-up pricing model, often used for products like housing loans.

Question 10

The step-up pricing model keeps the interest rate fixed for the entire loan tenure.

FALSE

The step-up pricing model changes from an initial low rate to market-linked pricing after a set period, it is not fixed throughout.

Question 11

The Boston Consulting Group conducted a study titled "Transforming Retail Banking Processes".

TRUE

This BCG study is the source of the four retail banking process models referenced in the JAIIB syllabus.

Question 12

The JAIIB RBWM exam currently carries negative marking for incorrect answers.

FALSE

As per the current pattern, JAIIB has no negative marking, so wrong answers do not deduct marks.

Question 13

Candidates should verify exact passing marks and criteria from the latest official IIBF notification.

TRUE

IIBF exam rules can be updated, so candidates must always confirm current criteria from the official notification.

Question 14

Retail banking spreads are generally lower than the spreads on large corporate loans.

FALSE

Retail asset classes typically carry higher spreads than large corporate loans, which get finer, negotiated rates.

Question 15

Corporate and wholesale banking clients typically negotiate finer, lower interest rates than retail customers.

TRUE

Large corporate borrowers have greater bargaining power, so they usually secure lower rates than retail customers.

Question 16

Credit cards are classified as a liability product for banks.

FALSE

Credit cards are a retail asset product, since they represent amounts owed to the bank by cardholders.

Question 17

Product development is typically considered the first phase in a bank's product life cycle.

TRUE

The product life cycle begins with development, the design and build stage, before growth or differentiation occurs.

Question 18

New-generation private sector banks outsource their entire liability-side processing while doing none of it in-house.

FALSE

New-generation private banks typically use a balanced mix, often processing the liability side in-house while outsourcing assets.

Question 19

The JAIIB exam is conducted online in computer-based mode.

TRUE

IIBF administers the JAIIB exam as an online, computer-based test.

Question 20

The Integrated Approach treats retail banking as a completely separate business unit disconnected from the bank's overall plan.

FALSE

The Integrated Approach does the opposite, weaving retail banking activity into the bank's overall business plan.

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