

**NATIONAL UNIVERSITY OF SCIENCE AND TECHNOLOGY  
FACULTY OF COMMERCE  
DEPARTMENT OF BANKING**

**RETAILING OF FINANCIAL SERVICES  
CBA 4202**

**SUPPLEMENTARY EXAMINATION**

**AUGUST 2008**

**TIME: 3 HOURS**

**INSTRUCTIONS TO CANDIDATES**

**Answer any FOUR (4) questions.**

**Indicate on your answer booklet whether you are in the conventional or parallel programme.**

**INFORMATION FOR CANDIDATES**

**The number of marks is given in brackets [ ] at the end of each question or part question.**

**Questions may be written in any order, but must be legibly numbered.**

**The businesses in this question paper are intended to be fictitious.**

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**[Turn over]**

### **QUESTION 1**

Customer care is an indispensable facet of retailing of financial services. Critically analyse this quotation with reference to service quality. **[25 Marks]**

**TOTAL [25 MARKS]**

### **QUESTION 2**

- (a) What THREE (tripod) factors underly any pricing strategy. **[5 Marks]**
- (b) List and explain FOUR pricing objectives of financial institutions. **[10 Marks]**
- (c) Define implicit pricing and outline its major weaknesses. **[10 Marks]**

**TOTAL [25 MARKS]**

### **QUESTION 3**

- (a) Identify the sequential stages of the Innovation – Adoption Model **[10 Marks]**
- (b) Define market aggregation as used in retailing of financial services. **[5 Marks]**
- (c) Evaluate the usefulness of market segmentation in the banking sector. **[10 Marks]**

**TOTAL [25 MARKS]**

### **QUESTION 4**

- (a) Define Moments of Truths vis-à-vis Bank Customer Relationships. **[5 Marks]**
- (b) How does Management Opportunity Grid explain Impact and Satisfaction as Driving forces for management decisions regarding Moments of Truths? **[20 Marks]**

**TOTAL**

**[25 MARKS]**

**QUESTION 5**

- (a) In what way is marketing planning important in retailing of financial services.  
**[10 Marks]**
- (b) What factors should a bank consider when formulating its corporate mission?  
**[10 Marks]**
- (c) Evaluate the usefulness of the Product Life Cycle Model in product development strategies.  
**[5 Marks]**

**TOTAL**

**[25 MARKS]**

**QUESTION 6**

- (a) Giving examples, explain the different sources of barriers to entry of banks in the banking industry.  
**[10 Marks]**
- (b) List and explain FIVE industry characteristics that influence the intensity of rivalry Pursuant to Porter Five Forces Model.  
**[10 Marks]**
- (c) What is the importance of Concentration Ratio as a measure of rivalry?  
**[5 Marks]**

**TOTAL**

**[25 MARKS]**