

**INSTITUTE OF BANKERS IN MALAWI**

**CERTIFICATE IN BANKING EXAMINATION**

**SUBJECT: CUSTOMER SERVICE (IOBM – C102)**

**Date: Monday, 23rd November 2020**

**Time Allocated: 3 hours (13:30 – 16:30 Hours)**

**INSTRUCTIONS TO CANDIDATES**

1 This paper consists of **TWO** Sections, A and B.

2 Section A consists of 20 multiple questions, each question carries 2 marks.

Answer **ALL** questions.

3 Section B consists of 5 questions, each question carries 20 marks. Answer **ANY THREE** questions.

4 You will be allowed **10 minutes** to go through the paper before the start of the examination when you may write on this paper but not in the answer book.

5 Begin each answer on a new page.

6 **Please write your examination number on each answer book used. All answer books without examination number will not be marked.**

7 All persons writing examinations without payment will risk expulsion from the Institute.

8 If you are caught cheating, you will be automatically disqualified in all subjects seated this semester

9 DO NOT open this question paper until instructed to do so.

**SECTION A (40 MARKS)**

Answer **ALL** questions from this section by circling the right answers in the answer sheet provided.

**QUESTION 1**

1. Not all banks see customer complaints as an opportunity because
2. They do not have power proper complaint handling mechanism in the bank
3. They keep records of complaints in the bank received
4. Customers are seen as a bother to business
5. They are big with skilled personnel with lots of banking experience
6. Swan and Combs (1976) found that in customer services, customer satisfaction with the product performance relate to the evaluation of two types of performance which are
7. Instrumental performance and Actual performance
8. Instrumental performance and Expressive performance
9. Expressive performance and Actual performance
10. Instrumental performance and Desired performance
11. Using the efficiency attribute in customer services, there are four ways of increasing the service efficiency at a bank and these are
    * 1. Routinization
      2. Decoupling
      3. Complacency
      4. Delegation
      5. Customer fit
      6. Mechanisation
      7. Servqual scale
12. 1, 2, 3 and 4
13. 1, 2, 4 and 6
14. 2, 3, 4 and 7
15. 3, 4, 5 and 6
16. According to Thomas (1988), there are five interfaces in his customer care model which results in moments of truth in Customer Services. Out of the 5 interfaces, 3 are people related in the bank and these are
17. Management – customer
18. Customer - System
19. Management – Staff
20. Management - System’
21. Staff - Customer
22. 1,2 and 3
23. 1,3 and 4
24. 1, 3 and 5
25. All the above
26. The essential components of Customer Service delivery process include the following except
27. Processing people
28. Mental stimulus processing
29. Information processing
30. Output processing
31. One of the excuses for bad customer service from a bank will be
32. Demand for the organisations output exceeds supply
33. The organisation competes on other factors like price
34. No organisation in the sector care about its customers
35. All of the above
36. Customer care emphasises the importance of
37. Closing the gap between customer expectations and their experience
38. Perception of customers
39. Accountability
40. Being reactive to situations
41. The world is changing and this has not spared the banking industry. Marketing is becoming more professional and the learning curve previously used by marketers is less of a guide to the future because of the following
42. Technology based competitive advantage is more elusive
43. New competitors can come from anywhere
44. Customers can be classified into smaller segments
45. All the above
46. There are several factors associated with poor performing organisations in customer service
47. Hierarchical relationships
48. Insularity and complacency
49. A masculine culture
50. Incompetence is not tolerated
51. Feminine Culture
52. Sharing information
    * + 1. 1, 3 and 5
        2. 1, 5 and 6
        3. 2, 3 and 4
        4. 1, 2 and 3
53. What best describes Customer Care
54. The management of treating customers properly
55. The management and identification of customer needs
56. The management and identification of moments of truth with the aim of achieving customer satisfaction
57. The wow factors or encounters
58. Some customers of the bank especially those in upper age ranges still regard going to the bank as an opportunity for
59. Merging with the bank
60. Show casing their clothes
61. Social contact and resist change
62. All the above
63. Off the shelf customer care programmes are not desired by the banks because
64. Managers lead the way in the programme
65. The content and the setting are seen to be irrelevant
66. They involve only a few selected front line staff
67. None of these
68. Customer care is any of the following **except**
69. A mechanism of customer retention
70. A focus on customer’s
71. A way of creating customer loyalty
72. A source of differentiation from competing products
73. Which of the following is the most effective and least expensive way to market a business
74. Advertising
75. Effective customer service
76. Glossy colourful brochures
77. One on one service calls
78. Why is customer service important to banks
79. It is required by law
80. Without it a bank may lose customers
81. It is an area where banks spend a lot of money
82. None of the above
83. The following are the statements under the Servqual Model except
84. Identify the gap between competitors and other service providers
85. Identify the gap between perceived service and expected service
86. Identify the gap between consumer expectation and management perception
87. Identify the gap between service delivery and external communications
88. The following are part of the Value Chain primary activities as designed by Michael Porter
89. Firm infrastructure, inbound logistics and procurement
90. Firm infrastructure, Technology and operations
91. Human resource management, technology and procurement
92. Operations, outbound logistics and marketing/sales
93. Working side by side with another person in an effort to understand and potentially learn that persons job is referred to as
94. Job appraisal
95. Going the extra mile
96. Job shadowing
97. Job training
98. Customer service demands have increased over the past 5 years. Recent findings show that today’s customers
99. Are more patient
100. Are less willing to wait in one organisation
101. Are less aggressive in their telephone manner
102. None of the above
103. One of the service quality determinants in a bank is Assurance which means
104. Consistency and dependability of the service providers performance
105. Willingness and readiness of organisation staff to provide service
106. Efforts to understand customer needs and individualised service delivery
107. The knowledge and competence of service providers and the ability to convey trust and confidence

**SECTION B (60 MARKS)**

Answer **ANY THREE** questions from this section

**QUESTION 2**

Customers sometimes go through terrible customer experiences and simply vote by walking away without lodging a complaint.

**Required**

* + - 1. Explain **four** ways in which a bank can encourage its customers to complain when they experience such poor customer service instead of simply walking away.

*(12 marks)*

* + - 1. Zimva Bank has got both positive and negative feedback from its customers and other stakeholders on its current service offering.

**Required**

Describe the importance of any **two** positive comments and any **two** negative comments to the bank as feedback.  *(8 marks)*

**(Total 20 marks)**

**QUESTION 3**

Ashridge Management College conducted a research which showed a list of common factors associated with poor performing organisations. The list has general relevance to most sectors but it has special poignancy for the banking industry.

**Required**

Explain any **seven** of these factors associated with a poor performing bank based on the above list. **(Total 20 marks)**

**QUESTION 4**

When a firm is introducing a customer service strategy, continuous improvement is used as an implementation programme throughout the organisation for easier adoption by the employees. This is not an exception for banks in Malawi.

**Required**

Describe the **five** steps which can be used in the implementation of continuous improvement as a customer care programme at a bank of your choice.

**(Total 20 marks)**

**QUESTION 5**

* + - 1. Explain the concept of Total Quality Management (TQM) in a bank set up.

*(5 marks)*

* + - 1. Describe the **three** principles that guide a customer - supplier relationship between a bank and any of its suppliers under the concept of TQM. *(6 marks)*
      2. Explain **two** reasons why it is important for service organisations like banks to keep on improving their services. *(5 marks)*
      3. Mention any **four** most important attributes for a bank customer. *(4 marks)*

**(Total 20 marks)**

**QUESTION 6**

Customer support includes services that help a customer understand the benefits that products and services provide to the customers. It might involve training the customers.

**Required**

Assume that you are the new Branch Manager for Ninamwabi Bank, write a report to top management on **six** benefits of having customer support services at the bank**.**

**(Total 20 marks)**

**END OF THE EXAMINATION PAPER**