

THE INSTITUTE OF BANKERS OF ZIMBABWE

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DIPLOMA LEVEL	
SUBJECT	RETAILING OF FINANCIAL SERVICES
DATE	28 APRIL 2022
TIME	3 HOURS
MARKS	100
EXAM TYPE	CLOSED BOOK



INSTRUCTIONS TO CANDIDATES

1. Read the instructions CAREFULLY before answering the paper
2. There are five (5) questions in this paper
3. Question 1 is a compulsory case study carrying 40 marks
4. Choose 3 other questions from Section B
5. Credit will be given to well laid out answers
6. Please be neat – illegible handwriting cannot be marked
7. Use black or blue ink
8. Ensure that all information on the cover of your answer book is completed in full.
9. Cheating is not allowed. If anyone is caught cheating, disciplinary measures will be taken by the Institute of Bankers.

GOOD LUCK !

Section A

Reilly's law defines two cities' relative ability to attract customers from the area between them, the larger the town the greater its ability to attract customers. On the other side, the greater the distance from town, the less likely a customer is to shop there.

Reilly's law can be defined as the relationship between shopping area size and the distance to customers.

Question 1

Reilly's law has some problems. Discuss the problems in Reilly's law.

Section B

Question 2

Retailers use prices lower than competitor's everyday low pricing (EDLP) but use advertisements to promote frequent sales. Rice In the past retailers would have major price cuts at the end of a season.

What then are the benefits of high/low strategy?

Question 3

Wholesale intermediaries position themselves in the distribution channel between the manufacturer and the retailer. Briefly explain what intermediary functions include.

Question 4

What do people use to evaluate retail service quality in customer evaluation of service?

Question 5

Briefly explain situations that will stimulate unsatisfactory banking experience.