

V.P.M.'s K.G. Joshi College of Arts & N.G.Bedekar College of Commerce, Thane.  
TYBMS - 5<sup>TH</sup> SEMESTER

PRELIMINARY EXAMINATION OCT - 2008

TIME : 11.00 a.m. to 1.00 p.m.

MARKS : 60

CODE : 516-B

DATE : 15/10/2008

SUBJECT & PAPER : RURAL MKTG.

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- Instruction : 1] Both the sections are compulsory  
2] Section I : All questions are compulsory.  
3] Section II : Attempt any three out of five questions.  
4] Marks indicated against the questions.  
5] Both sections to be answered in the same answer booklet.

Section - I

1. Give brief account on the following : 10
- Rural demand
  - Constraints in rural marketing
  - Relationship between Marketed and Marketable surplus
  - Lead bank scheme
  - Hatta sale
2. CASE STUDY :

Call it a business with a good cause. A strong but silent social revolution is taking place beyond urban borders. Surpassing all targets, an overwhelming number of 18 lakh credit-linked "self help groups" (SHGs), being predominantly women-oriented, are working wonders in rural areas and in managing micro finance matters.

Cumulative bank lendings to SHGs have grown to almost Rs.8,000 crore till November 2005. The southern states of Andhra Pradesh, Tamil Nadu and Karnataka have recorded the largest number of SHGs. Orissa follows close behind.

Interestingly, while public sector banks, regional rural banks and co-operative banks provide maximum loans to SHGs, private sector banks have begun assisting SHGs with credit facilities in recent times. And, recovery levels have by far been the highest from these SHGs, who are otherwise denied of banking facilities.

National Bank for Agriculture and Rural Development (NABARD) is spearheading all micro finance projects has, in fact, asked banks to lend more to these groups. For banks, the amount may be small in their entire loan portfolio, but these people can be customers of the future.

As part of its exercise in bringing more people under micro finance, NABARD has initiated involving rural volunteers to help in creating different SHGs. While the numbers in the southern states have been the highest, NABARD is working on measures to step up activities in the northern and eastern states.

Some states like West Bengal have the highest share of credit coming from state and district central co-operative banks. The growth in credit-linked SHGs has

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grown very fast and has led to them to be credit worthy. Perhaps the greatest benefit comes in the form of social change. There are distinctly less instances of school dropouts, alcohol drinkers, domestic abuse and harassment in a family. Moreover, with access to bank finance, dependence on money lenders is minimal.

The financial discipline among the SHGs has been very high. The moral strength, confidence and empowerment levels are definitely higher among women who have become confident decision makers, investors and mentors for their families.

Questions :

- a) With respect to various kinds of credit require by farmers what role micro finance and SHG can play? 10
- b) What are the various agencies currently involvbed in granting credit to agriculture community? 05
- c) Explain with example how companies have use SHG to distribute their products? 05

### Section II

2. The north-India based DCM Shriram, which has business ranging from sugar and fertilizers to farm inputs, intends to set up rural retail chain. The aim is give the farmer the same respect and attention that an urban consumer gets in a metro city mall. What problme DCM Shriram could face and how it can overcome them? 10
3. Voltas Ltd is making a re-entry into the refrigerators segment, under the brand name 'ColdCel.' which is reasonably priced, starting at Rs5,000. Voltas' is to become an end-to-end provider of the entier range of cooling appliances. In the first year of operations for Voltas, the company plans to sell little over a lakh pieces in rural India. Suggest promotional and distribution strategy for Coldcel to achieve its marketing objective in rural India. 10
4. Can regulated markets offer solutions to the problems of agricultural markets? Give reason. 10
5. Do you agree that there lies a huge potential in the rural market inspite of the fact that majority of the Rural Population are very poor. Explain giving examples. 10
6. Give detail classification of agriculture markets. What are the various methods of sale? 10
7. Write short Notes (Any two) 10
  - a) Defects in agriculatural marketing system.