

01721

**MANAGEMENT PROGRAMME
(Banking and Finance)**

Term-End Examination

December, 2015

MS-422 : BANK FINANCIAL MANAGEMENT

Time : 3 hours

Maximum Marks : 100

Maximum Weightage : 70%

Note : *Attempt any five questions. All questions carry equal marks.*

1. What is Primary Market for securities ? Explain the role of various facilitators which help in raising capital from primary market.
2. Discuss the various techniques used for financial analysis of banks. Describe in detail the DUPONT model of financial analysis.
3. What do you understand by 'Owned Funds of Banks' ? Explain different types of Reserves and Surpluses as are shown in a Bank's balance sheet.
4. Write short notes on :
 - (a) Treasury Bills.
 - (b) Inter-Bank Participation Certificate.
 - (c) Fixed Rate and Floating Rate of Interest.
 - (d) Motives for Merger.

5. What do you understand by Call Money Market ? Why do the banks undertake transactions in this market ? How is the rate of interest determined in this market ? Discuss.
 6. What is 'Credit Risk Management' ? Discuss the components of an effective credit risk management framework.
 7. What are 'Operational Risks' in a bank ? Discuss the various methodologies adopted for the measurement of operational risks in a bank.
 8. Explain the pricing issue in the context of banking industry. What are the inputs needed for pricing of banking products ?
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