

00712

**MANAGEMENT PROGRAMME
(Banking and Finance)**

Term-End Examination

December, 2017

MS-494 : RISK MANAGEMENT IN BANKS

Time : 3 hours

Maximum Marks : 100

Weightage 70%

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

1. What are the various risks faced by the banks ? Explain the traditional techniques of Interest Rate Risk Management.
2. Explain the following :
 - (a) BASEL Accord III
 - (b) Capital Risk
3. What are the building blocks for credit risk management ? Discuss the responsibilities of Credit Risk Management Committee (CRMC).
4. Discuss the importance of liquidity in Banking Operations. Explain two different measures of finding out the liquidity risk.

5. What is Interest Rate Risk ? Discuss its impact on banks functioning. Explain different types of interest rate derivatives.
 6. Explain the traditional and modern approaches to Operational Risk Management. Discuss in detail the steps involved in an Operational Risk Management Process.
 7. What is 'Stress Testing' ? Discuss the various approaches of stress testing.
 8. What is risk adjusted performance evaluation ? Explain the basic principles of incentive systems and discuss the sound compensation principles.
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