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**MANAGEMENT PROGRAMME
(Banking and Finance)**

Term-End Examination

June, 2014

MS-422 : BANK FINANCIAL MANAGEMENT

Time : 3 hours

Maximum Marks : 100

Note : (i) *Attempt any five questions.*

(ii) *All questions carry equal marks.*

1. (a) Explain the importance of the Financial system and discuss the role of various Development Financing Institutions in the flow of capital.
(b) Discuss the specialised Facilitators involved in channelizing savings from individuals to corporates in the form of capital.
2. What is 'cost of funds' ? Explain the factors which are fundamental in determining interest rates.
3. Emphasize the importance of money market. What measures could be taken to prop - up money market. Explain about Money Market Mutual Funds and Highlight the special features of this scheme.

4. What do you understand by Risk management and what are its objectives ? Describe the steps involved in the process of risk management. Explain as to how the risk management system could be made more effective by banks.
 5. What are the different forms in which firms are Restructured ? What are the motives behind mergers ? Discuss the ICICI Bank and Bank of Madhura merger.
 6. Define credit risk. Enumerate the significance of measuring and managing credit risk. Discuss in detail the approaches to credit risk measurement.
 7. Discuss the meaning and significance of Cost Analysis as an input for pricing of bank products. Explain Target Costing in this regard.
 8. (a) Explain three important profitability ratios with example.
(b) Explain the meaning and significance of Nastro, Vostro, Loro accounts and Mirror account maintained by banks.
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