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MS-422

MANAGEMENT PROGRAMME

(Banking and Finance)

Term-End Examination, 2019

MS-422 : BANK FINANCIAL MANAGEMENT

Time : 3 Hours]

**[Maximum Marks : 100
(Weightage 70%)**

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

1. Explain the role of Financial Analysis in the management of finances of a business. Describe in detail the Ratio Analysis technique of Financial Analysis.
2. What is Bank Capital ? Discuss the functions and classification of Bank capital. Describe the requirements that Banking Companies must fulfill in order to carry on business in India.
3. Describe the steps involved in Project Evaluation. Explain the methods generally followed for Evaluating Projects. What are the techniques used for measuring the Project Risk ?

4. Define Credit Risk. Explain the significance of Credit Risk Measurement and Management. Describe in detail the Credit Rating Approach used for measuring Credit Risk.
5. What do you understand by Asset Liability Management (ALM) ? Discuss the nature of risks addressed by ALM and the organisational structure for Risk Management with reference to ALM.
6. Define Merger and Takeover. Describe the different types of Mergers. Discuss the motives that promote merger and acquisition activity.
7. Discuss the functions of the Treasury Department of a bank. What are the various controls that need to be in place if the treasury department is to be, more efficient and effective ?
8. Write short notes on **any four** of the following :
 - (a) Vostro Account
 - (b) Liquidity Risk
 - (c) Capital Adequacy Ratio
 - (d) Forward Rate Agreements
 - (e) Commercial Paper

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