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MS-494

MANAGEMENT PROGRAMME

(Banking and Finance)

Term-End Examination, 2019

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 different types of risks faced by the banks ? Explain in detail the various approaches used for Quantification of Interest Rate Risk.
2. What are the traditional application domains of the Risk Models ? Explain the various modeling approaches used for assessment of Credit Risk.
3. What are Credit Derivatives ? Discuss the special features of various types of credit derivatives.
4. What is meant by Liquidity Risk ? Discuss the importance of liquidity in banking operations and explain how is liquidity risk measured ?

5. What is Interest Rate Risk and how does it affect banking operations ? Explain the application of Interest Rate Derivatives in managing Interest Rate Risks.
6. What are the various types of Operational Risks ? Explain the Basic Indicator Approach (BIA) and Standardized Indicator Approach (SIA) used for risk analysis and measurement of operational risk.
7. What do you understand by 'Risk Appetite' ? Discuss the various factors which should be clearly addressed in the Credit Risk Policy.
8. What do you understand by Capital to Risk-weighted Assets Ratio ? Discuss the Elements of Tier I and Tier II capital as prescribed for Indian Banks and their limits.

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