

**MANAGEMENT PROGRAMME**  
**(Banking and Finance)**  
**Term-End Examination**  
**June, 2021**

**MS-422 : BANK FINANCIAL MANAGEMENT**

*Time : 3 hours*

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

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

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1. Briefly explain the scope and objectives of financial management in Banks. What are the various assets in which banks invest their funds ? Why do they invest in Securities ? Explain.
2. What do you understand by Capital Adequacy Ratio (CAR) ? Explain the various items which form part of Tier I capital and Tier II capital. What purpose does this ratio serve ?
3. What do you understand by 'borrowed funds' of a bank ? Explain the various items which form part of Schedule 4 of a bank's balance sheet.

4. What are the functions of Treasury Department in Banks ? Discuss the controls required for effective and efficient functioning of Treasury Department.
  5. Explain the following :
    - (i) Call Money Market
    - (ii) Certificate of Deposits
  6. Discuss the concept of credit risk and define its scope in the current environment. Explain the credit risk management framework adopted by banks.
  7. What is 'Operational Risk' ? Explain the various methodologies used for measurement of operational risk.
  8. Discuss the objectives of pricing of Bank products and explain the methods of pricing bank products. Describe the pricing strategies adopted by banks.
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