

00140

**MANAGEMENT PROGRAMME
(Banking and Finance)**

Term-End Examination

June, 2015

MS-422 : BANK FINANCIAL MANAGEMENT

Time : 3 hours

Maximum Marks : 100

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

1. What is a Primary Market ? Explain the characteristics of primary market instruments through which firms can raise long term and short term funds.
2. What do you understand by Financial analysis of banks ? Explain the technique of Ratio analysis and DUPONT analysis as applied for a bank's financial analysis.
3. What are the constituents of 'Owned Funds of Banks' ? Explain the different types of 'Reserves and Surpluses' as are shown in a bank's balance sheet. Is there any statutory requirement in this regard ? Explain.
4. What do you understand by the cost of funds for the banks ? Explain the factors that affect the cost of funds of a bank.

5. How is the price of a bond fixed ? Discuss the various methods used for measuring price volatility of bonds.
 6. What are the various risks faced by the banks ? Discuss the process of risk management and explain the requirements for an effective risk management system.
 7. What is operational risk ? Explain the different methodologies used for the measurement of operational risk in banks.
 8. Why do banks go for mergers ? Describe the procedure prescribed for Bank Amalgamations as laid down in the Banking Regulation Act, 1949.
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