

00543

**MANAGEMENT PROGRAMME
(Banking and Finance)**

Term-End Examination

December, 2011

MS-422 : BANK FINANCIAL MANAGEMENT

Time : 3 hours

Maximum Marks : 100

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

1. Describe the specialised facilitators for Channelising Savings from Individuals to corporate in the form of capital, through primary markets effectively. Discuss their activities.
2. What do you mean by subordinated debt ? Describe the terms of their issue as subordinated debt instruments, for inclusion in Tier-II capital.
3. Describe the Foreign Exchange Rate system prevailing in India ? What are the determinants of exchange rates. Discuss the major buying and selling rates quoted by banks in India.
4. Explain the meaning, scope and objectives of Risk management. Discuss in detail, the value based risk management system.

5. Describe the critical areas in which accounting standards play a major role in preparation of financial statements of banking industry.
 6. Explain the importance of money market and the measures that have been taken to prop-up this market. Describe the important features of Inter-Bank participation certificate.
 7.
 - (a) Distinguish between (i) take-over and merger and (ii) vertical merger and horizontal merger.
 - (b) Describe the procedure for amalgamation of banks as prescribed in Section 44 A of the Banking Regulations Act, 1949.
 8. What do you understand by Liquidity Adjustment facility introduced by Reserve Bank of India for banks. Explain its modus operandi and significance of repo rate and reverse repo rate.
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