

**MS-494**

## **Management Programme**

**ASSIGNMENT**  
**(January to December)**  
**2021**

**MS- 494: Risk Management in Banks**



**School of Management Studies**  
**INDIRA GANDHI NATIONAL OPEN UNIVERSITY**  
**MAIDAN GARHI, NEW DELHI – 110 068**

## ASSIGNMENT

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<b>Course Code</b>	:	<b>MS-494</b>
<b>Course Title</b>	:	<b>Risk Management in Banks</b>
<b>Assignment Code</b>	:	<b>MS-494/SEM-I/2021</b>
<b>Coverage</b>	:	<b>All Blocks</b>

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**Note :** Attempt all the questions and submit to the Coordinator of your study centre on or before 31<sup>st</sup> October, 2021.

1. What do you understand by Asset Liability Management (ALM)? Explain the ALM process and discuss the role and functions of various sub-committees of the Asset Liability Committee (ALCO) in a Bank.
2. What is 'Credit Risk'? Explain the difference between 'Project Finance' and 'other forms of finance' and discuss in detail the credit risk involved in project finance.
3. Explain the concept of 'Market Risk' and discuss about the constituent components of 'Market Risk'. Discuss the various models used to estimate market risk.
4. Meet the Manager of a Bank and discuss the various methods used for measuring interest rate risk exposures. Write a note on your discussions.
5. What do you understand by 'Risk Appetite'? Explain a typical risk appetite metrics of a Bank and discuss the various aspects of Market Risk Policy and Liability Management Policy.