

**MANAGEMENT PROGRAMME  
(Banking and Finance)**

**Term-End Examination**

**December, 2013**

**MS-422 : BANK FINANCIAL MANAGEMENT**

*Time : 3 hours*

*Maximum Marks : 100*

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*Note : Attempt **any five** questions.*

*All questions carry **equal** marks.*

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1. Discuss the role of financial analysis in the management of finances of a business. Describe in detail the DUPONT model of financial analysis.
2. Distinguish between Re-financing and Re-discounting of bills. Explain the details of Bills Re-discounting Scheme of Reserve Bank of India and the Refinance facilities provided by Development Banks in India.
3. What are the steps involved in the evaluation of the potential of a project ? Discuss the different techniques which are used for measuring risks of the potential project.
4. How would you define Operational Risk ? Discuss the methodologies recommended by Basel committee for the measurement of operational risks.

5. What is meant by pricing in the context of banking ? Explain the objectives behind pricing. Discuss the information required for pricing of bank products and services.
  6. What do you understand by Market Risk ? Discuss the tools for the measurement of Market Risk.
  7. What do you understand by Foreign Exchange Rate ? Describe the exchange rate system that is prevalent in India and explain the determinants of exchange rate.
  8. Write short notes on the following :
    - (a) Certificates of deposit
    - (b) Call money market
    - (c) Inter-Bank participation certificate
    - (d) Commercial paper
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