

**MANAGEMENT PROGRAMME
(BANKING AND FINANCE)**

Term-End Examination

00552

December, 2017

MS-422 : BANK FINANCIAL MANAGEMENT

Time : 3 hours

Maximum Marks : 100

Weightage : 70%

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

1. What is a Primary Market ? How does it channelise the savings of individuals to corporate firms ? List the various instruments used in this market and discuss their basic characteristics.
2. What are the important sources of borrowed funds for banks ? List and explain the various items shown in Schedules 3, 4 and 5 of a bank's Balance Sheet.
3. What is meant by 'Capital Adequacy Ratio' ? Discuss its significance and describe the different elements that comprise Tier-I and Tier-II capital of Indian banks.

4. What is Money Market ? List and briefly explain the features of various money market instruments.
 5. Why do prices of bonds fluctuate ? How do you measure bond price volatility ?
 6. Discuss the significance of Credit Risk Measurement and Management.
 7. What are 'Operational Risks' in a bank ? Discuss the various methodologies adopted for the measurement of operational risks in a bank.
 8. Why do banks go for mergers ? Describe the procedure prescribed for bank amalgamation as laid down in the Banking Regulation Act, 1949.
-