

00845

**MANAGEMENT PROGRAMME**  
**(Banking and Finance)**  
**Term-End Examination**  
**December, 2018**

**MS-422 : BANK FINANCIAL MANAGEMENT**

*Time : 3 hours*

*Maximum Marks : 100*

*(Weightage 70%)*

- 
- Note : (i) Attempt any five questions.*  
*(ii) All questions carry equal marks.*
- 

1. Explain the objectives and scope of Financial Management in Banking Industry. What are the short-term and long-term Assets and Liabilities of a Bank ? Discuss how the Asset-Liability Gap affects the return, liquidity and risk of the Bank.
2. What do you understand by cost of Funds ? Why is it important ? Discuss the factors that affect the cost of Funds.
3. What is a Money Market ? Explain the various instruments that are traded in money market.
4. What do you understand by Foreign Exchange Rate ? Describe the Foreign Exchange Rate System followed in India and the factors which determine these Exchange Rates.

5. Discuss the scope and objectives of Risk Management. Describe the different categories of risks prevalent in Banks. Why is there a need for integration of these risks ?
  6. Define Liquidity Risk. Discuss the Liquidity Gap Analysis approach used to measure Liquidity risk and the issues that need to be addressed while using the gap approach.
  7. What do you understand by Trading Securities and Investment Securities ? How are these securities valued ?
  8. Write short notes on **any four** of the following :
    - (a) Treasury Bills
    - (b) Types of Mergers
    - (c) Variable Cost Pricing
    - (d) Credit Rating
    - (e) Trend Analysis
-