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**MS-422**

**MANAGEMENT PROGRAMME**

**(BANKING AND FINANCE) (MPB)**

**Term-End Examination**

**December, 2021**

**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 do you understand by 'Capital Adequacy Ratio' (CAR) ? Describe in detail the components of Tier-I and Tier-II capital referred to in CAR.
2. What do you understand by 'Borrowed Funds' in context of banks ? Describe in detail the

items appearing under the head 'Borrowings' from within India in schedule 4 of the bank's balance sheet.

3. What is a 'Money Market' ? Explain in brief about the various money market instruments by which banks make short-term investments.
4. Discuss briefly the broad categories of risk faced by the banks and describe the steps in risks management. Why is it necessary to integrate risks for development of enterprise wide risk management system ?
5. What is 'Credit Risk' ? Why the measurement and management of credit risk has gained importance during last two decades ? Describe the approaches used for measurement of credit risk.
6. What do you understand by 'Asset Liability Management' (ALM) ? How are the assets and liabilities in the balance sheet of a bank

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classified into banking book and trading book ?

Describe the balance sheet structure of a bank's balance sheet and discuss its implications for the ALM process.

7. Describe the process and procedure for measurement of assets and liabilities that appear in bank's financial statements.
8. Describe 'pricing' in the banking context and discuss the objectives of pricing. Explain the various methods of pricing for banking products and services.