

**MASTER OF BUSINESS ADMINISTRATION
(BANKING AND FINANCE) (MBF)**

Term-End Examination

December, 2022

MMPB-004 : RISK MANAGEMENT IN BANKS

Time : 3 hours

Maximum Marks : 100

Note : (i) Attempt any **five** questions.

(ii) All questions carry equal marks.

1. Why do risks in banks need to be regulated ?
Discuss the Basel III Accord and the building blocks of this Accord.
2. Explain the Risk Management function in a bank and discuss the role of the functionaries who are involved in it.
3. (a) What is the need for managing Credit Risk ?
(b) Discuss the categories of Non-Performing Assets.
4. What is the use of Credit Derivatives ? What are the benefits and risks of using these Derivatives ?

5. Explain the need for an Asset-Liabilities Committee in a bank and discuss the role played by the sub-committees in the areas of credit, investment, and liabilities of a bank.
6. Why is managing Liquidity Risk important for a bank ? Discuss how the liquidity risk is measured and monitored.
7. Explain the significance of Operational Risk for a bank. Discuss the role of the Senior Management in creating risk management culture and for developing a framework for operational risk management.
8. What is the need for reporting risk of a bank ? Briefly, discuss the principles for effective risk data aggregation and risk reporting.
