

No. of Printed Pages : 2

MS-422

**MANAGEMENT PROGRAMME
(BANKING AND FINANCE) (MPB)**

Term-End Examination

December, 2022

MS-422 : BANK FINANCIAL MANAGEMENT

Time : 3 Hours

Maximum Marks : 100

(Weightage : 70%)

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

1. Explain the scope and objectives of Financial Management in banking. Discuss the effect of asset liability gap on return, liquidity and risk profile of a bank.
2. What is 'Capital Adequacy Ratio' ? Discuss its significance and describe the different elements that comprises Tier I capital and Tier II capital of Indian banks.

P. T. O.

3. Briefly explain the items listed in Schedule 4 of a bank's balance sheet. Discuss the guidelines for issue of unsecured bonds as subordinated debt as applicable to commercial banks in India.
4. Explain the following :
 - (i) Commercial paper
 - (ii) Inter-bank participation certificate
5. What do you understand by price volatility of a bond ? Discuss the various techniques used for measuring bond price volatility.
6. What is 'Operational Risk' ? Explain the 'Basic Indicator Approach' and 'The Standardized Approach' for measurement of operational risk.
7. What is 'Market Risk' ? Explain the techniques used for measurement of Market Risk.
8. What do you understand by pricing in banking context ? Discuss the objectives of pricing and discuss the inputs required for pricing decisions.