

**MANAGEMENT PROGRAMME  
(Banking and Finance)**

**Term-End Examination**

**June, 2013**

**MS-422 : BANK FINANCIAL MANAGEMENT**

*Time : 3 hours*

*Maximum Marks : 100*

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

1. Discuss the techniques used for financial analysis of banks. Explain the specific ratios used for analysing the financial performance of banks.
2. What do you understand by 'Owned Funds of Banks' ? Explain the different types of 'Reserves and Surpluses' as are shown in a bank's balance sheet.
3. What do you understand by the cost of funds for banks ? Discuss how do the changes in bank rate, refinance rate, call money rate and Repo rate affect the cost of funds for the banks.
4. Write short notes on the following :
  - (a) Call money market
  - (b) Commercial Paper
  - (c) Inter-Bank Participation Certificate
  - (d) Certificates of Deposit

5. How is the price of a bond determined ? How is bond price volatility measured ?
  6. Identify the risks faced by the banks. What are the steps in risk management ?
  7. What is operational risk ? Discuss the various methodologies used for measurement of operational risk.
  8. Discuss the objectives of pricing of Bank Products. What are the inputs required for pricing of bank products ?
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