

01051

**MANAGEMENT PROGRAMME  
(Banking and Finance)**

**Term-End Examination**

**June, 2013**

**MS-494 : RISK MANAGEMENT IN BANKS**

*Time : 3 hours*

*Maximum Marks : 100*

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

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1. What do you understand by Asset-Liability Management in a bank ? What is its objectives and why is it needed ? Bring out roles and functions of the sub-committees formed under it.
2. Discuss the frameworks of Basel Accord - I and II and explain the changes proposed in the Basel Accord-II for the Basel Accord-III.
3. What is 'Credit Risk Derivative' ? Explain the various types of Credit Derivatives and discuss their special features.
4. What do you mean by 'Market Risk' ? Discuss the factors that contribute to this risk. How is market risk managed ?

5. Explain the concept of 'Interest Rate Risk' and discuss the reasons for a Bank to use Interest Rate Futures.
  6. Discuss the need for effective operational risk management and explain the process of operational risk management in banks.
  7. Explain the different elements of Tier-I and Tier-II capital prescribed for banks and discuss their limits.
  8. Write notes on the following :
    - (a) Internal Capital Adequacy and Assessment Process (ICAAP)
    - (b) Stress Testing
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