

00981

**MANAGEMENT PROGRAMME
(Banking and Finance)**

Term-End Examination

June, 2014

MS-494 : RISK MANAGEMENT IN BANKS

Time : 3 hours

Maximum Marks : 100

Note : (i) *Attempt any five questions.*
(ii) *All questions carry equal marks.*

1. What is Interest Rate Risk ? Explain the different techniques used for the measurement and management of interest rate risk.

2. Explain the following :
 - (a) Process of Securitization and its advantages.
 - (b) ICAAP Document.

3. What are the building blocks for credit risk management ? Discuss the responsibilities of Credit Risk Management Committee (CRMC).

4. Explain the various types of credit derivatives. What are the differences between credit derivatives and securitization ?

5. What do you understand by 'Currency Risk' ? Describe the important products that are generally used by corporate sector and banks in managing the currency risk.

 6. What is 'Operational Risk' ? Explain the principles of operational risk management and discuss the Basic Indicator Approach and Standardized Approach for operational risk analysis and measurement.

 7. What are the broad principles of risk governance ? Discuss the key responsibilities of the Credit Risk Management Department (CRMD).

 8. What are the components of Tier I and Tier II Capital of Banks ? Discuss their limits and what are the deductions made from them.
-