

01482

**MANAGEMENT PROGRAMME  
(Banking and Finance)**

**Term-End Examination**

**June, 2016**

**MS-422 : BANK FINANCIAL MANAGEMENT**

*Time : 3 hours*

*Maximum Marks : 100*

*Weightage : 70%*

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

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1. What is Primary Market for Securities ? List the various instruments used in this market and discuss their basic characteristics.
2. What do you understand by Asset-Liability Management in a bank ? What is its significance ? How does a bank manage the liquidity risk ? Explain.
3. What is meant by 'Capital Adequacy Ratio' (CAR) ? Discuss its significance and describe in detail the capital adequacy norms as prescribed for Indian banks.
4. What are the important sources of borrowed funds for banks ? List and briefly explain the various items shown in schedule 3, 4 and 5 of a bank's balance sheet.

5. How is the Price of a Bond determined ? How is bond price volatility measured ? Discuss.
  6. What is 'Credit Risk' ? Discuss the various approaches to measure credit risk.
  7. Why do Banks go for Mergers ? Describe the procedure for Bank Amalgamation as laid down in the Banking Regulation Act, 1949.
  8. Discuss the objectives of pricing of banking products. Explain the different pricing methods used for pricing of banking products.
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