

No. of Printed Pages : 3

MS-422

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

**Term-End Examination**

**June, 2020**

**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 do you understand by Financial Analysis of Banks ? Explain the techniques of ratio analysis and DUPONT analysis as applied for the financial analysis of banks.

P. T. O.

2. What do you understand by Owned Funds of Banks ? Discuss the functions of bank capital and describe the different elements that are listed in Schedule I and Schedule II of a bank's balance sheet.
3. What do you understand by 'Cost of Capital' for banks ? Explain the relevant rates and facilities which affect the cost of funds for the banks.
4. Why do banks make short-term investments ? List and describe the various money market instruments used by the banks.
5. How is the price of a bond fixed ? Explain the process for measuring the convexity of a bond.
6. Explain the various methods used for project appraisal and discuss the techniques of measuring project risk.

7. What is Operational Risk ? Describe the methodologies used for measurement of operational risk.
  
8. Discuss the meaning and significance of cost analysis as an input for pricing of bank products.