

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

**Term-End Examination
June, 2023**

MS-494 : RISK MANAGEMENT IN BANKS

Time : 3 Hours

Maximum Marks : 100

(Weightage : 70%)

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

1. Describe the Asset Liability Management (ALM) process in banks. Discuss the role of Bank's treasury in managing different kinds of risks.
2. What are Risk Models ? Discuss their applications and explain the 'Value at Risk' (VAR) model.

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3. What is 'Credit Risk' ? Discuss the need for managing credit risk and explain the process of credit risk management.
4. What is 'Market Risk' ? Describe the market risk models and also explain the techniques of managing market risk.
5. Explain the following :
 - (i) Treasury Futures
 - (ii) Treasury Options
6. What is 'Operational Risk' ? Explain the principles of operational risk management. Discuss the Basic Indicator Approach (BIA).
7. Describe the market and liquidity risk management structure of a bank and discuss the aspects covered in asset-liability management policy.
8. What do you understand by capital to risk weighted assets ratio ? Discuss the elements of Tier-I and Tier-II capital as prescribed for Indian Banks and specify their limits also.

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