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**MANAGEMENT PROGRAMME
(Banking and Finance)**

**Term-End Examination
December, 2010**

MS-422 : BANK FINANCIAL MANAGEMENT

Time : 3 hours

Maximum Marks : 100

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

1. What are "Owned Funds of Banks"? Describe the various types of Reserves and Surpluses shown in schedule-2 of a bank's balance sheet.
2. What are the functions performed by the treasury department of a bank ? Explain the controls that are placed on the treasury department.
3. What is meant by the cost of funds for Banks ? Explain the factors affecting cost of funds.
4. What is "Term money market" ? Give description of the various instruments used in term money market.

5. What is Credit Risk ? Explain the various approaches used for Credit Risk Measurement.
 6. Explain the pricing issues in context of Banking industry and discuss the importance of demand analysis for pricing decisions.
 7. How is the valuation of Trading & Investment securities done as per the accounting standards for Banking Industry.
 8. Why do the prices of bonds fluctuate ? How do you measure bond price volatility ? Discuss.
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