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| Reg. No. | | | | | | | | | |
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MBA Degree (FT) III Semester End Semester Examination- December, 2022

21-371-0321: Bank Financial Management

(Regular)

Time: 3 Hours

Max Marks: 50

Course Outcomes: On completion of the course, the student will be able to:-

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|-----|---|
| CO1 | Ability to recall the basic concepts and terms related to Business environment, environmental scanning, political, economic, social technological, legal, ecological environment of business. |
| CO2 | Enable the incumbents to understand comprehensively the concepts delivered at the remembrance level to make them cognitively fit for application. |
| CO3 | Develop skills in business environment analysis based on the understanding of the different contents delivered to apply them with illustrations and cases. |
| CO4 | Impart skills to analyse the real time data (economic/ social/legal) to explore and undertake business decisions. |
| CO5 | Make the students capable to evaluate the impact of political, economic, social, technological, legal, ecological environment on business decisions taken by firms |
| CO6 | Make the students capable to evaluate the impact of political, economic, social, technological, legal, ecological environment on business decisions taken by firms |

BL – Bloom’s Taxonomy: (L1- Remember, L2 - Understand, L3 – Apply, L4-Analyse, L5-Evaluate, L6-Create)

PART A

(Answer ALL questions. Each question carries 2 marks)

| Q. No. | Questions | Marks | BL | CO |
|--------|--|-------|----|-----|
| 1 | Recall the concept of ALM in banking | 2 | L1 | CO1 |
| 2 | What is meant by rediscounting? | 2 | L1 | CO1 |
| 3 | Explain the concept of differentiated bank. | 2 | L2 | CO2 |
| 4 | Give an account of liquidity vs profitability concern in banks | 2 | L2 | CO2 |
| 5 | Explain the concept of moratorium | 2 | L1 | CO1 |

(5X2=10 marks)

PART B

(Answer ANY FIVE Questions. Each question carries 4 marks)

| Q No. | Questions | Marks | BL | CO |
|--------------|---|--------------|-----------|-----------|
| 6 | The banks in India are facing the menace of repayment delinquency which has been aggravated by the Covid Crisis. Explain how the credit risk can be measured and suggest means to offset credit risk in banking | 4 | L3 | CO3 |
| 7 | Explain how duration gap analysis can be used to overcome interest rate risks | 4 | L3 | CO3 |
| 8 | Explain the new age functions in banking. What is their role in profitability? | 4 | L4 | CO4 |
| 9 | Briefly account for Income Recognition, Asset Classification and Provisioning norms and its implications on the banking system | 4 | L3 | CO3 |
| 10 | Explain foreign exchange risks in banking. What are the measures that can be taken up for containing the foreign exchange risks in banking | 4 | L4 | CO4 |
| 11 | Banking is business of trust. In light of this, account for liquidity risk management by banks | 4 | L3 | CO3 |
| 12 | Financial Intermediation can be an effective method to boost economic development in the country. Explain the role of banks in facilitating the development process. | 4 | L3 | CO2 |

(5X4=20 marks)

PART C

(Answer ANY TWO questions. Each question carries 10 marks)

| Q No. | Questions | Marks | BL | CO |
|--------------|---|--------------|-----------|-----------|
| 13 | Monetary transmission in the Indian Economy is at cross roads. Evaluate the above statement in light of the monetary policy stances of RBI during the past two years. | 10 | L5 | CO5 |
| 14 | Banks are “purveyors of credit”. Evaluate this statement in light of the theory of credit creation. State the limitations | 10 | L5 | CO5 |
| 15 | Briefly describe the risks associated with banking business and risk management framework applicable for management of risk in banks | 10 | L6 | CO3 |

(2x10=20 marks)