

MBA Degree (FT) III Semester University End Semester Examination- November, 2023

21-371-0321: BANK FINANCIAL MANAGEMENT

(Regular and Supplementary)

Time: 3 Hours

Max. Marks: 50

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

CO1	Ability to recall the basic concepts and terms related to Management of finances in banking- liquidity risk-credit risk, interest rate risk, foreign exchange risk
CO2	Enable the incumbents to understand comprehensively the concepts delivered at the remembrance level to make them cognitively fit for application.
CO3	Develop application skills in risk management in banks based on the understanding of the different contents delivered to apply them with illustrations and cases.
CO4	Impart skills to analyse the risk related banking business data to explore and establish relationships in the area of bank management decisions.
CO5	Make the students capable of evaluating the impact of risks affecting banking systems and ways to estimate and monitor the same.
CO6	Generate scenarios of bank risk and create coping strategies to contain and mitigate risk.

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. Nos.	Questions	Marks	BL	CO
1	Recall the concept of NPA in banking	2	L1	CO1
2	Explain the concept of refinancing?	2	L1	CO1
3	Explain the concept of provisioning in banks.	2	L2	CO2
4	Give an account of foreign exchange risks faced by commercial banks	2	L2	CO2
5	Explain the concept of asset securitisation	2	L1	CO1

(5X2=10 marks)

PART B

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

Q. Nos.	Questions	Marks	BL	CO
6	Wilful defaulters of bank credit have been always a threat to the banking system. Explain how the credit risk can be measured and suggest means to offset credit risk in banking	4	L3	CO4
7	Analyse interest rate risks in banking. Discuss about the methods for measuring interest rate risks.	4	L3	CO3
8	Distinguish the functioning of differentiated banks. Discuss their business models in comparison with universal banks?	4	L4	CO4
9	Briefly account for capital adequacy ratio and its implications on the banking system	4	L3	CO3

10	Identify operational risks in banking. What are the measures that can be taken up for containing the operational risks in banking	4	L4	CO4
11	Recently cooperative banks in Kerala are facing trust issues. Explain the role of trust in banking system and its relevance in the present-day crisis	4	L3	CO3
12	"Banks are manufacturers of credit". Examine the statement in light of the theory of credit creation.	4	L3	CO2

(5X4=20 marks)

PART C

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

Q. Nos.	Questions	Marks	BL	CO																																	
13	Evaluate RBI's function of monetary policy. Discuss the considerations that MPC need to have before deciding on policy rates. Frame your answer in light of the recent monetary policy stance of RBI.	10	L5	CO5																																	
14	Following are the details from the books of account XYZ Bank Limited on 31.03.2019. Classify the loans into standard assets, sub-standard assets, doubtful assets and loss assets and also estimate the total provision amount to be kept for each category.	10	L5	CO4																																	
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15	Elaborate on the risks associated with banking business and risk management framework applicable for management of risk in banks	10	L6	CO5																																	

(2x10=20 marks)
