No. of Printed Pages : 2 **MMPB–004**

M. B. A. (BANKING AND FINANCE)

(MBF)

Term-End Examination

December, 2024

MMPB–004 : RISK MANAGEMENT IN BANKS

Time : 3 Hours *Maximum Marks : 100*

Note : *(i) Attempt any* ***five*** *questions.*

(ii) All questions carry equal marks.

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1. What is the importance of Risk Management for Banks ? Explain the different steps of Risk Management process.

2. What is a 'Weak Bank', as defined by the Basel Committee ? What are its symptoms ? What are the causes for weakening of Banks ?

3. What are Credit Derivatives ? Discuss the different types of Credit Derivatives.

4. What is Asset Liability Management (ALM) ? Why is it needed ? Discuss the three pillars of ALM.

5. What is Market Risk ? What are its types ? Explain the factors that contribute to Market Risk.

6. What is 'Operational Risk' ? What is its relevance for Banks ? Explain the different categories of operational risk events identified by the Basel Committee.

7. What is the significance of Operational Risk in a Bank ? Discuss the different approaches to measure operational risk of Banks.

8. Explain the sound compensation principles for financial institutions as published by the Financial Stability Board.

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