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**MS-422**

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

**Term-End Examination  
December, 2025**

**MS-422 : BANK FINANCIAL MANAGEMENT**

*Time : 3 Hours*

*Maximum Marks : 100*

*Weightage : 70%*

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

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1. What do you understand by 'Owned Funds of Banks' ? List and explain various items depicted in Schedules 1 and 2 of a Bank's Balance Sheet.
2. What are the important sources of 'Borrowed Funds' for Banks ? Describe the main features and associated terms and

conditions of Rupee Subordinated Debt and Subordinated Debt in foreign currency issued by Indian Banks.

3. Explain the treasury function in banks and discuss various controls placed for efficient and effective treasury management. How are securities classified for the purpose of evaluation of investments by Banks ?
4. Explain the following :
  - (i) Price Volatility of Treasuries
  - (ii) Convexity of price yield curve/bond
5. Describe various risks faced by banks and explain the process of risk management.
6. What is 'Operational Risk' ? Explain various methodologies used for measurement of operational risk.
7. What are 'Interest Rate Risk' and 'Market Risk' ? Describe the tools used for measurement of market risk.

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8. In the financial statements of banks, how are the following determined ?

- (i) Operating revenues
- (ii) Operating expenses
- (iii) Valuation of investment securities
- (iv) Allowance for bad debts

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