

**MANAGEMENT PROGRAMME
(BANKING AND FINANCE)**

(MBF)

Term-End Examination

December, 2025

MS-494 : RISK MANAGEMENT IN BANKS

Time : 3 Hours

Maximum Marks : 100

Weightage : 70%

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

(ii) All questions carry equal marks.

1. Describe briefly various risks inherent in banking operations. Explain the various techniques used for Interest Rate Risk Management (IRRM).
2. What are Risk Models ? Describes their application domain. Explain KMV's Expected Default Frequency (EDF) Model and Value at Risk Model.

3. What is Credit Risk ? Describe the various building blocks by which credit risk is managed.
4. Discuss the features of Credit Derivatives and describe various types of credit derivatives. Differentiate between credit derivatives and securitization.
5. What is Market Risk ? Discuss the factors contributing to market risk and describe various market risk models.
6. Discuss the factors affecting currency value. Briefly describe various currency derivatives and explain the application of currency SWAPs in currency risk management.
7. Describe the various types of operational risks and explain operational risk management process.
8. Describe a typical Credit Risk Management structure in banks and explain the key points articulated in Credit Risk Policy. Discuss the main functions of Credit Risk Management Committee (CRMC).

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