No. of Printed Pages : 2 **MMPB–004**

MASTER OF BUSINESS ADMINISTRATION (BANKING AND FINANCE) (MBF)

Term-End Examination

June, 2025

MMPB-004 : RISK MANAGEMENT IN BANKS

Time : 3 Hours *Maximum Marks : 100*

Weightage : 70%

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

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1. Explain the various types of risks relevant to the Banks. Explain the application of stress testing and scenario analysis in risk management.

2. Discuss the Prompt Corrective Action (PCA) framework.

3. Explain the Risk Management Function and describe the organisational setup for market risk management.
4. What is Credit Concentration Risk ? How is it managed through Basel Committee principles and RBI guidelines ? Discuss the credit concentration risk limits as prescribed by RBI.
5. Discuss the factors contributing to liquidity issues for banks. Explain the Stock and Flow approaches used to measure liquidity.
6. Discuss the factors contributing to market risk and describe different types of market risk models.
7. Explain the following :
   (i) The Basic Indicator Approach
   (ii) Basel III Standardised Approach (Based III SA)
8. What is Operational Risk ? Briefly discuss governance framework for operational risk management and describe Three Lines of Defense Model.

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