No. of Printed Pages : 2 **MS–494**

MANAGEMENT PROGRAMME (BANKING AND FINANCE) (MPB)

Term-End Examination

June, 2025

MS-494 : 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. What do you understand by Asset Liability Management (ALM) ? Discuss the role of Treasury Management in ALM process.
2. Describe BASEL ACCORD II and discuss the changes incorporated in BASEL ACCORD III.
3. What is Credit Risk ? What are the risks for banks in Project Finance and Working Capital Finance ? How can these risks be mitigated ?

4. What is Liquidity Risk ? Discuss the factors contributing to liquidity risk and describe various techniques to measure liquidity risk.
5. What is Interest Rate Risk ? Describe the various methods of measuring interest rate risk exposures.
6. Discuss the Principles of Operational Risk Management. Describe the Standardized Approach (SA) used for operational risk analysis and measurement.
7. Explain the following :
   (i) Stress testing
   (ii) Elements of Tier I and II Capital
8. What is risk adjusted performance evaluation ? Explain the basic principles of incentive systems and discuss sound compensation principles.

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