No. of Printed Pages : 3 **MS–422**

MANAGEMENT PROGRAMME (BANKING AND FINANCE)

(MBF)

Term-End Examination

June, 2026

MS-422 : BANK FINANCIAL MANAGEMENT

Time : 3 Hours *Maximum Marks : 100*

Weightage : 70%

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

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1. Discuss the objectives and scope of financial management in Banks. What are bank's assets and liabilities ? How does the asset liability gap affect the return, liquidity and risk of banks ?

2. What is 'Cost of Funds' for Banks ? Discuss the factors affecting cost of funds. Explain the impact of various relevant rates on cost of funds for banks.

3. Explain the following :

   (i) Call money market and prudential norms for call market borrowings and lendings.

   (ii) Interbank Participation Certificate.

4. Explain various Project Appraisal methods and describe techniques of measuring project risk.

5. What is Credit Risk ? Describe the significance of its measurement and management. Explain two dimensions of credit risk : Intrinsic and Concentration. At what level, these risks are to be managed ?

6. What is 'Liquidity Risk' ? Describe the techniques used to measure liquidity risk and discuss the issues in using GAP measures to measure liquidity risk.

7. Describe various types of mergers and discuss motives for mergers. Explain legal framework of mergers and procedure for amalgamation of banking companies.

8. Describe various inputs required for pricing of banking products and explain various methods of pricing.

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