

MANAGEMENT PROGRAMME**(Banking and Finance)****Term-End Examination****June, 2007****MS-422 © : BANK FINANCIAL
MANAGEMENT***Time : 3 hours**Maximum Marks : 100*

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

1. Discuss the role of 'Financial Analysis' in 'Financial Management'. What are the different techniques followed for the financial analysis ? Explain.
2. Explain the various sources from which banks borrow funds within India.
3. Why is cost of funds important for a bank ? Discuss the factors which are fundamental in determining the interest rate of the banks.

4. What are the properties of price volatility of a Bond ? Discuss the measures that are commonly employed to measure the price volatility of a Bond.
5. Why is risk management important for a bank ? Discuss the different steps involved in the process of risk management in a bank.
6. What do you understand by operational risks in a bank ? What methodologies are used for measuring such risks ? Give reasons for managing these risks.
7. Why do the banks invest in securities ? How are the investments in securities classified ? Explain the methods followed by banks for valuing the securities.
8. Write short notes on any **four** of the following :
 - (a) Tier II Capital of Banks
 - (b) Major Buying and Selling rates of foreign exchange
 - (c) Credit Rating
 - (d) Commercial Paper
 - (e) Repos
 - (f) Methods of Pricing