

II Semester M.Com. (FA)/M.F.A. Examination, July 2017
(CBCS Scheme)

Paper – 2.6 : ASSET LIABILITY MANAGEMENT IN BANKS

Time : 3 Hours

Max. Marks : 70

Instruction : Attempt all Sections.

SECTION – A

Answer **any seven** sub-questions out of the **ten** following questions. **Each** question carries **two** marks : (7×2=14)

1. a) What is liquidity risk ?
- b) What is gap analysis ?
- c) What is stress test ?
- d) Describe the scheme for sustainable structuring of stressed assets.
- e) What is a stressed asset ?
- f) What is NIM ?
- g) Why NII is important ?
- h) What do you mean by scenario analysis ?
- i) Illustrate time value of money.
- j) What is commodity risk ?

SECTION – B

Answer **any four** of the following questions. **Each** question carries **five** marks : (4×5=20)

2. Why ALM is important in banking industry ?
3. How do you measure credit risk ?
4. Give highlights of Basel Accord – I, II and III.

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5. What is asset quality ? Why it is considered significant ?
6. What is sensitivity and assets and liabilities ?
7. What is the use of statement of structural liquidity ?

SECTION – C

Answer **any three** questions out of the following questions. **Each** question carries **twelve** marks : **(3×12=36)**

8. Explain in detail the RBI's guidelines to commercial banks in respect of management of assets and liabilities.
 9. Explain the concept of securitization process. What is the Indian scenario ?
 10. What is exposure risk ? How do banks manage this risk ? What are the RBI guidelines on exposure norms ?
 11. Give the important aspects of Basel committee on Banking Supervision. What is effect of this on the Indian banking ?
 12. Explain the role of the board, role of the risk manager and the role of the internal audit in regard to management of assets and liabilities.
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