

2125
B.Com. (Financial Markets) FYUP
Third Semester
Paper: Bank Operation Management

Time allowed: 3 Hours

Max. Marks: 80

NOTE: Attempt four short answer type questions from Section-A. Attempt two questions each from Section B and C respectively.

x-x-x

Section - A

I. Attempt any four of the following:-

- a) What are the cardinal principles of sound bank lending?
- b) Explain the factors influencing the formulation of a loan policy.
- c) What is meant by Operational Risk? Briefly describe its identification and assessment.
- d) Discuss the liquidity-profitability dilemma in commercial banks.
- e) Explain the importance of internal controls in risk management.
- f) What are the main sources of liquidity for a commercial bank? (4x5)

Section - B

- II. Explain the process of formulating a loan policy. What are the essential contents of such a policy in a commercial bank? (15)
- III. Describe in detail the theories of liquidity management. How do these theories guide banks in maintaining liquidity? (15)
- IV. Define Operational Risk Management. Discuss the steps involved in risk measurement, quantification, and control. (15)
- V. What is Loan Supervision? Discuss its importance in maintaining credit quality and preventing loan defaults. (15)

P.T.O.

(2)

Section - C

- VI. Define Investment Management. Explain the fundamental principles of security investment by commercial banks. (15)
- VII. Discuss the objectives and process of Asset Liability Management (ALM) in commercial banks. (15)
- VIII. What do you mean by Non-Performing Assets (NPAs)? Examine the causes of NPAs in Indian commercial banks and suggest measures for their reduction. (15)
- IX. Explain the organization of the investment function in a commercial bank and the process of reviewing an investment portfolio. (15)

x-x-x