Code No: MB164C/R16

MBA IV Semester Regular Examinations, April-2018

RISK MANAGEMENT

Time: 3 Hours **Max. Marks: 60**

Answer Any **FIVE** *Questions*
All Questions Carry Equal Marks
Question No. 8 is Compulsory

1.	a	List out the different types of Financial Institutions present in India? Explain the specific functions of each type of institution?	8M
	b	"Liquidity risk trigger other risks". Elaborate the statement	4M
2.	a	Explain the Repricing Gap Model for measuring interest rate risk? Also mention the limitations of the model?	8M
	b	Calculate the repricing gap and the impact on Net Interest Income ,if there is a 3% increase in interest rate, for Rs.300 crores of Rate sensitive assets and Rs.200 crores of Rate sensitive liabilities.	4M
3.	a	Differentiate between a Forward contract and a Futures contract?	6M
	b	What are the various types of currency derivatives that are available for foreign exchange risk management?	6M
4.	a	Explain the BASEL I agreement report in detail	8M
	b	Mention the Revised Risk Management norms of SEBI.	4M
5.	a	Explain Moody's KMV Portfolio Manager model for assessing credit risk?	7M
	b	Define a bond? Explain the characteristics of a bond?	5M
6.	a	Explain the working of Bank for International Settlement.(BIS)	6M
	b	What is meant by maturity gap? Explain the maturity gap model in detail?	6M
7.	a	Plot the Organizational structure for Market Risk?	6M
	b	Define the term Risk? Explain the sources of various risks?	6M

CASE STUDY

8.	The share of X Co.ltd. is currently sold for Rs.60. There is a call option available at strike price of Rs.56 for a period of 6 months. Find out the value of the Call Option using Black-Scholes model, given that the rate if interest of the investor is 14% and the standard deviation of the return of the share is 30%. Given that the value of $e^{-0.07}$ is 0.9324	12M

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