

**MANAGEMENT PROGRAMME**  
**(Banking and Finance)**  
**Term-End Examination**  
**June, 2007**

**MS-422 : BANK FINANCIAL MANAGEMENT**

*Time : 3 hours*

*Maximum Marks : 100*

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

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1. (a) What is a 'Financial System' ? Briefly discuss its role in an economy.  
(b) Briefly describe the different types of 'Fixed Income Capital Market Instruments'.
2. What are the functions of Bank Capital ? What are the different components of Tier-I and Tier-II capital of banks ? Discuss fully.
3. What is the importance of 'Money Market' in an economy ? Discuss any five important money market instruments.

4. Explain the different steps involved in the process of project appraisal and discuss the important methods of project appraisal.
5. Discuss the different 'building blocks' of an effective credit management system framework.
6. Explain the 'Liquidity Gap Analysis' as a tool of liquidity risk measurement. What are the issues which need to be addressed while using this approach ? Discuss.
7. Discuss the significance of pricing in the context of a banking company. What are the important objectives that should be kept in mind while pricing the products of a bank ? Discuss.
8. Write short notes on any **four** of the following :
  - (a) Cost of funds
  - (b) Foreign Exchange quotations
  - (c) Scope of Financial Management
  - (d) Bill Rediscounting Scheme of the Reserve Bank of India
  - (e) Treasury function in a bank
  - (f) Going concern concept