



BRAINWARE UNIVERSITY

Course – M. Com.

Paper Name: Risk Management (MCM306B)

(Semester – 3)

Time allotted: 3 Hours

Full Marks: 70

[The figure in the margin indicates full marks. Candidates are required to give their answers in their own words as far as practicable.]

Group –A

(Multiple Choice Type Question)

1) Select the correct one from stated alternatives

10 x 1 = 10

i. Credit risk will not arise if-

- | | |
|--|-------------------------------------|
| a) interest not paid in direct lending | b) Bank guarantee fund not obtained |
| c) Security settlement not affected | d) none of these |

ii. Basel committee has been formed by

- | | |
|-----------------------|---------------------------------|
| a) European countries | b) Central bank of 10 countries |
| c) USA | d) India |

iii. Operational risk loss will arise due to -

- | | |
|-----------------------------|----------------------------------|
| a) Human error | b) Failure in the banking system |
| c) Internal control failure | d) all of the above |

iv. Tier I capital includes

- | | |
|-----------------------|--|
| a) paid up equity | b) equity, perpetual preference shares & disclosed reserve |
| c) Authorized capital | d) none |

v. Tier 3 capital is limited to

- | | |
|--|---------------------------|
| a) 250% of tier 1 to support market risk | b) 100% of tier 1 capital |
| c) 200% of tier 1 capital | d) none of these |

Group – C

(Long Answer Type Question)

3 x 15 = 45

Answer any three questions

- 7) What is liquidity risk? Explain important liquidity risk measuring ratios.
- 8) What is second pillar of Basel II? Why supervisory review is important? Write four key principles of supervisory review.
- 9) RBI has issued guidelines to implement Basel III. Indicate major features of such guidelines
- 10) Explain fair practices code for debt collection of credit information companies in India.
- 11) Explain different types of risks associated in International Banking Transaction.