

Q.P. Code :06394

[Time: 2 1/2 Hours]

[ Marks:75]

Please check whether you have got the right question paper.

- N.B: 1. All questions are compulsory with internal choice.  
2. Figure to the right indicates full marks.

**Q. 1 A) Fill in the blanks (any 8)**

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- 1) A..... is a process by which an attempt is made to identify , verify record , measure, Analyse and report the range of risk that may be present in given situation.  
(risk audit , risk assurance ,risk investment )
- 2) ..... is the process of different activities undertaken by an organization in order to minimize the effect of risk on its earnings.  
( risk assessment , enterprise risk management , risk analysis )
- 3) ..... is a risk that a company or bank maybe unable to meet short term financial demands  
(liquidity risks ,political risk , currency risk )
- 4) ..... Are the risk business process risk failing due to human errors.  
(Credit risk, interest rate risk , operational risk )
- 5) ..... Occurs when there is inefficient allocation of resources in a free market.  
( market failure , system failure , government failure )
- 6) ..... is extensively used in the field of finance to resources in a free market.  
(VaR ,gamma ,alpha )
- 7) .....plays a significant role in positive monetary impact and is applicable to business functions.  
(technology ,risk insurance , manual operations )
- 8) ..... Is concerned with a decline in the price of a bond or a portfolio of bonds due to increase in market rates.  
( equity risk , commodity risk , interest rate risk )
- 9) ..... risk arises due to change in government policies.  
(social risk , political risk ,economical risk )
- 10) ..... Arises due to change in international exchange rate.  
(foreign risk, investment risk, political risk)

**B) Match the column (Any 7 )**

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1) Decline in bond price	i) Legal risk
2) Systematic risk	ii) Beta and Standard deviation
3) Default in payments	iii) Hedging technique
4) Regulatory risk	iv) Interest rate risk
5) Risk measurement tool	v) Rules of institutions
6) Forwards contracts	vi) Market risk
7) Corporate governance	vii) VaR
8) Basel Committee	viii) Transfer risk to another party
9) Monte Carlo Method	ix) Credit risk
10) Credit Default Swaps	x) Minimum capital requirements

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- Q. 2** a. What do you mean by operation risk? What are the different types of operations risk Management techniques? **8**  
b. What is the meaning of market risk? What are the different types of risk management Techniques? **7**  
**OR**  
c. Discuss the impact of market risk failures. **8**  
d. Explain how hedging as a tool in market risk management. **7**
- Q. 3** a. What are the different types of operational risk? **8**  
b. What do you mean by integrated risk management? **7**  
**OR**  
c. State the various types of market risk failures? **8**  
d. Write a short note on VaR . **7**
- Q. 4** a. Explain the role of technology in risk management. **8**  
b. Discuss the operational risk governance with respect to culture and policies and Implementation. **7**  
**OR**  
c. Discuss the role of credit default swaps in risk management. **7**  
d. What do you mean by Enterprise risk management? **7**
- Q. 5** Short Note (any 3) **15**  
I) Risk audit  
II) Spots and Forwards  
III) Market risk governance  
IV) Internal operations risk management  
V) Credit risks.
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