



II Semester M.Com. (FA) Examination, June/July 2018
(CBCS)

Paper – 2.6 : ASSETS LIABILITY MANAGEMENT IN BANKS

Time : 3 Hours

Max. Marks : 70

SECTION – A

1. Answer **any seven** sub-questions. **Each** sub-question carries **two** marks. **(2×7=14)**
- What is Economic Equity Ratio ?
 - What is residual maturity ?
 - What is positive mismatch ?
 - What is net interest margin ?
 - What do you mean by maturity gap analysis ?
 - Give the meaning of simulation.
 - What is VaR ?
 - What is transaction exposure ?
 - Define sensitivity analysis.
 - What is Tier-I capital under BASEL norms ?

SECTION – B

Answer **any 4** questions. **Each** question carries **five** marks.

(4×5=20)

- Explain the significance of Time Value of Money.
- What is transfer pricing ? Explain its different techniques.
- Explain risk monitoring and control mechanism in banks.
- What do you mean by asset sensitivity and liability sensitivity ?
- State the differences between Price and Maturity gap. Rate and Reset Gap.
- What do you mean by GAP analysis ?



SECTION - C

Answer **any 3** out of 5 questions. **Each** question carries **12** marks. **(3×12=36)**

8. Explain in detail the capital adequacy ratio norms.
9. Explain in detail the components of an effective stress test, with a suitable examples.
10. What do you mean by securitization ? Explain in detail about SARFAESI Act.
11. Explain in detail the RBI guidelines with regard to ALM practices in Indian Banks.
12. What is Risk ? Explain in detail the various risk measurement techniques adopted by Indian Banks.

SECTION - B

Answer any 4 questions. Each question carries five marks.

1. Explain the significance of Time Value of Money.
2. What is transfer pricing ? Explain its different techniques.
3. Explain risk monitoring and control mechanism in banks.
4. What do you mean by asset sensitivity and liability sensitivity ?
5. State the differences between Price and Maturity gap, Rate and Real Gap.
6. What do you mean by GAP analysis ?