PGDM /PGDM IB 2014-16

Management of Commercial Banks

DM-414/IB-408

Trimester – IV, End-Term Examination: September 2015

Time allowed: 2 hrs 30 min

Max Marks: 50

Roll No: ___________

Instruction: Students are required to write Roll No on every page of the question paper, writing anything except the Roll No will be treated as **Unfair Means.** In case of rough work please use answer sheet.

Sections	No. of Questions to attempt	Marks	Marks
A	3 out of 5 (Short Questions)	5 Marks each	3*5 = 15
B	2 out of 3 (Long Questions)	10 Marks each	2*10 = 20
C	Compulsory Case Study	15 Marks	15
		Total Marks	**50**

Section A

1. What is the role of Reserve Bank of India in the management of banking and directing monetary policy?

2. What was the financial crisis of 2007/08 and how did it impact Indian Banking?

3. What are the funded and non-funded banking facilities offered by Commercial Banks ?

4. What are the main recommendations of the Raghuram Rajan Committee on Financial Sector Reform?

5. Why are Non-Performing Assets a major problem for Banking in India ?

Section B

6. What are the major recommendations of the Basel II Accord and the enhancements in Basel III ?

7. What are the measures implemented to improve recovery for Banks ? Discuss with reference to Debt Recovery Tribunals and the SARFARESI Act.

8. What is the importance of ethics in Banking? Discuss with reference to recent cases of frauds uncovered.

Section C

Consider the balance sheets of a banking and a manufacturing firm given below;

Manufacturing Firm Assets	Percent
Cash	5
Debtors	25
Inventory	30
Fixed Assets	40
Total	**100**
Liabilities	
Equity	40
Long Term Debt	30
Short term debt	10
Creditors	20
Total	**100**

Banking Firm Assets	Percent
Cash	7
Loans & advances	
Short term	40
Long Term	10
Investments	
Short term	30
Long Term	10
Others	3
Total	**100**
Liabilities	
Equity + reserves	10
Deposits	80
Borrowings	10
Total	**100**

Compare the following parameters and explain how Banking Risk is to be controlled ?
:

1.Ratio of Fixed Assets to Current Assets

2.Current Ratios of both firms

3.Financing of assets of both firms onsidering risk and profitability