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**PRESIDENCY
UNIVERSITY
BENGALURU**

School of Management

Mid - Term Examinations – November 2024

Semester: III

Date: 07-11-2024

Course Code: MBA3071

Time: 02:00pm – 03:30pm

Course Name: Treasury Operations and Management

Max Marks: 50

Program: MBA

Weightage: 25%

Instructions:

(i) Read all questions carefully and answer accordingly.

(ii) Do not write anything on the question paper other than roll number.

Part A

Answer ALL the Questions. Each question carries 3marks.

3Mx5Q=15M

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|---|---|---------|-----------|-----|
| 1 | Describe two primary objectives of a treasury department and explain its importance to an organization. | 3 Marks | Knowledge | CO1 |
| 2 | Explain two major benefits and two significant challenges in treasury management with examples. | 3 Marks | Knowledge | CO1 |
| 3 | Compare between interest rate risk and currency/exchange rate risk, and why it is important for a treasurer to manage both. | 3 Marks | Knowledge | CO1 |
| 4 | Define Asset-Liability Management (ALM) and explain why it is crucial for financial institutions. | 3 Marks | Knowledge | CO2 |
| 5 | Identify and explain two key focal areas for banks when managing liquidity to maintain financial stability. | 3 Marks | Knowledge | CO2 |

Part B

Answer ALL the Questions. Each question carries 10 marks.

10Mx2Q=20M

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| 6a | Identify and explain the various functions of front-office, mid-office and back office of a commercial bank with suitable examples. | 10 Marks | Application | CO1 |
|----|---|----------|-------------|-----|

Or

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|----|--|----------|-------------|-----|
| 7a | “Treasury Outsourcing is the practice of hiring a third-party provider to manage a company's treasury functions” As a Treasury Manager you are requested to plan and hire a suitable third party for | 10 Marks | Application | CO1 |
|----|--|----------|-------------|-----|

treasury operations by considering its advantages and disadvantages.

- 8a** AAA Securities Ltd. has excess cash and is considering short-term investments to earn additional income. The Treasurer is responsible for selecting appropriate investment options that balance risk and return.
- 10 Marks** **Application** **CO2**

Select the best investment options for the Treasurer to maintain short-term cash liquidity in AAA Securities Ltd?

or

- 9a** Sigma Enterprises operates a seasonal business, with most of its sales occurring during the summer months. During the off-season, the company struggles to maintain adequate liquidity for operational expenses and ends up borrowing heavily.
- 10 Marks** **Application** **CO2**

Choose appropriate liquidity management strategies to manage Sigma Enterprises seasonal cash flow fluctuations?

Part C

Answer the Question. Question carries 15 marks.

15Mx1Q=15M

- 10** TCCS Group operates in multiple countries with decentralized treasury functions in each region. The Board of Directors is considering to centralize treasury operations to enhance efficiency and control.
- 15 Marks** **Analysis** **CO1**

Assume that you are the Treasury Manager in TCCS Group and the top management has asked you to evaluate their proposal, accordingly,

1. Examine the potential benefits of having a centralized treasury operation and treasury control in TCCS Group?