



PRESIDENCY UNIVERSITY

BENGALURU

Roll No.														
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Mid - Term Examinations – October 2025

Date: 08-10-2025

Time: 02.00pm to 03.30pm

School: SOC/SOM-UG	Program: B.COM (BANKING AND FINANCE)	
Course Code: COM3043	Course Name: RISK MANAGEMENT IN BANKING	
Semester: V	Max Marks: 50	Weightage: 25%

CO - Levels	C01	C02	C03	C04	C05
Marks	26	24	-	-	-

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 2 marks.

5Q x 2M=10M

1	Define liquidity risk in banking.	2 Marks	L1	C01
2	State two purpose of managing liquidity	2 Marks	L2	C01
3	What is meant by credit risk in retail lending?	2 Marks	L2	C01
4	Define systematic risk.	2 Marks	L2	C02
5	What is a yield curve?	2 Marks	L2	C02

Part B

Answer ALL the Questions. Each question carries 10 marks.

4Q x 10M=40M

6.	Explain the importance of liquidity management in banks. How do CRR and SLR help in managing liquidity?	10 Marks	L2	C01
Or				
7.	Discuss the concept of capital adequacy. Explain the role of Basel I norms in solvency management.	10 Marks	L2	C01

8.	Discuss the operational risks in Banks. Explain different ways of measuring and managing operational risk in banks.	10 Marks	L2	CO 1
Or				
9.	Describe the framework for liquidity risk management in Banks.	10 Marks	L2	CO 1

10.	Discuss the main credit risk assessment models used by banks to evaluate borrowers.	10 Marks	L3	CO 2
Or				
11.	What is the duration gap analysis? How is it used to measure and manage interest rate risk?	10 Marks	L3	CO 2

12.	Explain the key risks faced in lending to SMEs. How can banks monitor and control these risks?	10 Marks	L2	CO 2
Or				
13.	Discuss the importance of measuring interest rate risk in banks. How does interest rate volatility affect bank profitability and stability?	10 Marks	L2	CO 2