

PSG COLLEGE OF ARTS & SCIENCE
(AUTONOMOUS)

BVoc DEGREE EXAMINATION MAY 2023
(Sixth Semester)

Branch – BANKING, STOCK & INSURANCE

RISK MANAGEMENT

Time: Three Hours

Maximum: 75 Marks

SECTION-A (10 Marks)

Answer ALL questions

ALL questions carry EQUAL marks (10 x 1 = 10)

1. -----is the acceptance of responsibility for recognizing, identifying, and controlling the exposures to loss or injury which are created by the activities of the University.
(i) Company management (ii) Risk management
(iii) Insurance management (iv) Bank management
2. ---is the risk to earnings or capital arising from changes in the value of portfolios of financial instruments.
(i) Financial risk (ii) Operational risk
(iii) Price risk (iv) Bank risk
3. ----- summarizes the chances and uncertainties a company faces in the course of conducting its daily business activities, procedures, and systems.
(i) operational risk (ii) Bank risk
(iii) Market risk (iv) Credit risk
4. -----is the risk of losses on financial investments caused by adverse price movements.
(i) operational risk (ii) Bank risk
(iii) Market risk (iv) Market risk
5. Market risk also known as -----.
(i) Systematic risk (ii) Company risk
(iii) Cost risk (iv) value risk
6. ----- is the uncertainty faced by a lender.
(i) Credit risk (ii) Cash risk
(iii) Default risk (iv) Corporate risk
7. A -----is a security with a price that is dependent upon or derived from one or more underlying assets.
(i) Forward contracts (ii) Derivative
(iii) Options contracts (iv) Future contracts
8. A -----is an integrated computer information system used to aggregate risk data and to help decision makers evaluate business risks.
(i) Risk Management Information Symbol
(ii) Roll Management Information System
(iii) Risk Maths Information System
(iv) Risk Management Information System
9. ---- is the process of applying risk management principles to the needs of individual consumers.
(i) Personal Relational Management (ii) Personal Real Management
(iii) Personal Risk Management (iv) Post Risk Management

Cont...

10. ----is the elimination of hazards, activities and exposures that can negatively affect an organization and its assets.
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|--------------------|---------------------|
| (i) Risk reduction | (ii) Risk avoidance |
| (iii) Risk control | (iv) Risk principle |

SECTION - B (35 Marks)

Answer ALL Questions
ALL Questions Carry EQUAL Marks (5 x 7 = 35)

11. a. Describe the risk management process.
OR
b. Out line the purpose of risk-based pricing.
12. a. State the credit rating institutions.
OR
b. Explain market risk and its types.
13. a. Describe the types of credit risk.
OR
b. Summarise the procedures to measure the operational risk.
14. a. State the features of risk management information system.
OR
b. Show the participants in derivative market.
15. a. Bring out the basic techniques of risk management.
OR
b. Analyze the risk control tools and techniques?

SECTION - C (30 Marks)

Answer any THREE Questions
ALL Questions Carry EQUAL Marks (3 x 10 = 30)

16. Enumerate the objectives of risk management.
17. Discuss the types of risk management techniques in Banks.
18. Summarize the causes for measurement of risk.
19. Describe the types of derivatives.
20. Sketch the steps in personal risk management.

Z-Z-Z

END