

PSG COLLEGE OF ARTS & SCIENCE  
(AUTONOMOUS)

BVoc DEGREE EXAMINATION MAY 2025  
(Sixth Semester)

Branch – BANKING, STOCK & INSURANCE

**RISK MANAGEMENT**

Time: Three Hours

Maximum: 50 Marks

**SECTION-A (5 Marks)**

Answer ALL questions

ALL questions carry EQUAL marks

(5 x 1 = 5)

1. What is the purpose of a risk assessment process in banking?
  - i) To increase bank profitability
  - ii) To determine and manage potential threats to financial stability
  - iii) To attract more customers
  - iv) To reduce transaction processing time
2. Which regulatory body in India oversees risk management in banks?
  - i) SEBI      ii) IRDAI      iii) RBI      iv) NITI Aayog
3. What is the primary objective of risk management in a bank?
  - i) Maximizing profits
  - ii) Minimizing operational costs
  - iii) Identifying, assessing, and mitigating risks
  - iv) Increasing the number of customers
4. What does Basel III focus on in risk management?
  - i) Customer service improvements
  - ii) Strengthening capital requirements and liquidity management
  - iii) Increasing the number of bank branches
  - iv) Promoting cashless transactions
5. Which type of risk is covered under life insurance policies?
  - i) Property damage      ii) Business losses
  - iii) Death and disability      iv) Market fluctuations

**SECTION - B (15 Marks)**

Answer ALL Questions

ALL Questions Carry EQUAL Marks

(5 x 3 = 15)

6. a. Explain the objectives of Risk Management.  
(OR)  
b. Outline the process of Risk Management.
7. a. Bring out the difference between Market Risk and Operational Risk.  
(OR)  
b. How CRISIL is used in Risk Management in Banks?
8. a. Explain the procedure followed in measuring credit risk.  
(OR)  
b. Analyze the key components of the Measurement of Market risk?
9. a. Apply the role of credit rating agencies in risk management for banks?  
(OR)  
b. Explain the rules and regulation followed by the bank in risk avoidance.

Cont...

10. a. How do banks measure and manage liquidity risk during financial crises?  
(OR)  
b. Bring out the challenges faced by the insurance on Non-Transfer insurance.

**SECTION -C (30 Marks)**

Answer any **THREE** questions

**ALL** questions carry **EQUAL** Marks

(3 x 10 = 30)

11. Discuss the components on monitoring and reviewing risk management.  
12. Highlight the role of RBI in Risk Management?  
13. Classify the different type of Risk in Bank.  
14. Categorize the types of Derivate.  
15. Identify the tools and techniques used in risk control tools and techniques in Insurance.

Z-Z-Z

END