



M.Com. IV Semester Degree Examination, Sept./Oct. - 2024

COMMERCE

C. Bank Financial Management

(NEP)

Time : 3 Hours

Maximum Marks : 70

Note : Answer **any five** of the following questions with Question No.1 is **Compulsory**, each question carries **Fourteen** Marks.

1. "Credit and Financial appraisal are important for credit decision in Banks". Discuss. **14**
2. What is Value at risk ? Discuss the methods, advantages and disadvantages of Value at Risk for Banks. **14**
3. (a) A Commercial Bank has the following capital funds and assets. Segregate the capital funds into Tier I and Tier II capitals. Find out the risk adjusted asset and risk weighted asset ratio. **10**

(₹ in crores)

Equity Share Capital	500.00
Statutory Reserve	270.00
Capital Reserve (of which ₹ 16 crores were due to revaluation of Assets and the balance due to sale of capital asset)	78.00

Assets :

Cash balance with RBI	10.00
Balance with other banks	18.00
Other investment	36.00
Loans and advances :	
(i) Guaranteed by the Government	16.50
(ii) Others	5,675.00
Premises, Furniture and fixture of-Balance sheet Items :	78.00
(i) Guarantee and other obligations	800.00
(ii) Acceptances, endorsements and letter of credit	4,800.00

- (b) What are the differences between Economic capital and Regulatory capital ? Explain. **4**



4. (a) What is Financial analysis ? Explain the uses of Ratio analysis. **7**
- (b) From the following details, compute the amount of provision required to be made in the Profit and Loss account of Evergreen Bank Ltd. for the year 2022-23 : **7**
- | Assets | ₹ in Lakhs |
|---|-------------------|
| Standard | 16,000 |
| Sub-standard Asset | 12,000 |
| Doubtful Assets : | |
| One year (security) | 4,800 |
| For two to three years (secured) | 3,600 |
| For more than 3 years (Security of Machinery of ₹ 1000 Lakhs) | 1,800 |
| Non recoverable assets | 3,000 |
5. Discuss the RBI guidelines on securitisation of Assets and Non-Performing Assets. **14**
6. (a) Describe the importance of customer profitability analysis in banking. **7**
- (b) Explain the Treasury functions of banks in India. **7**
7. What is DuPont Model of Financial analysis ? Explain the advantages and imitations of DuPont model for banks ? **14**
8. Write a note on :
- (a) Income Recognition **5**
- (b) Capital Adequacy Ratio **5**
- (c) Reconstruction of Financial Assets of Banks. **4**

