MFE 31

III Semester M.B.A. (F.E.) Examination, June/July 2010
(O.S.)
FINANCIAL RISK MEASUREMENT AND MANAGEMENT

Time : 3 Hours Max. Marks : 80

SECTION – A

Answer the following. **Each** carries **two** marks. **(2×5=10)**

1. a) What is political risk ?

   b) Define VAR.

   c) State various derivatives instrument.

   d) Define Hedging.

   e) What is dividend yield ?

SECTION – B

Answer **any five** questions. **Each** carries **seven** marks. **(5×7=35)**

2. Explain Modern Portfolio Theory.
3. Write a note on passive and the active risk.
4. Describe various dividend policies.
5. What are the various processes and actions involved in ORM expansion process ?
6. Define risk and its types.
7. Give an overview of operational risk management.
8. What does value at risk measure ?

P.T.O.

SECTION – C

Answer **any two** questions. **Each** carries **10** marks. **(2×10=20)**

9. Explain risk metrics contribution. Compare various approaches.

10. Explain the risks in treasury management.

11. Explain dividend decision.

12. Explain optimal capital structure.

SECTION – D

Answer **any one**, carrying **fifteen** marks. **(1×15=15)**

13. Discuss the capital asset pricing model.

14. Explain various types of credit risk. How do you calculate interest rate risk ?