



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 ?
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