MFE 34

III Semester M.B.A. (FE) Examination, June/July 2010
CREDIT RISK AND ITS MODELLING (OS)

Time : 3 Hours Max. Marks : 80

SECTION – A

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

1. a) What is unsystematic risk ?

   b) What is credit list ?

   c) Define CDS.

   d) What do you mean by Risk retention ?

   e) Define securitization.

SECTION – B

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

2. Write a note on underwriting.

3. What is the importance of credit strategy ?

4. Describe various types of defaults.

5. List the limitations to the proposed evaluation methodology.

6. What are the types of credit risk modeling ?

7. What are the uses of trade credit insurance ?

8. What is the structure of credit derivative ?

SECTION – C

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

9. Explain factor models.
10. Explain default correlation.
11. Describe credit risk management framework.
12. Explain credit management.

SECTION – D

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

13. Explain the credit risk and market risk management at ABN - AMRO.
14. Define Buffer management and explain theory of constraints.

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