


<b>Name:</b>	 <b>UPES</b> UNIVERSITY WITH A PURPOSE
<b>Enrolment No:</b>	

**UNIVERSITY OF PETROLEUM AND ENERGY STUDIES**  
**End Semester Examination, May 2020**

**Course: B. Tech. CSE + BFSI**  
**Program: Risk Management & Compliance**  
**Course Code: CSIB326**

**Semester: VIII**  
**Time 03 hrs.**  
**Max. Marks: 100**

**Instructions: Answer detail must relate to marks awarded to that question.**

**SECTION A**

S. No.		Marks	CO
Q 1	Important features of Risk are: (a). Risk is Futuristic (b). Risk is Event dependent or Triggered (c). Risk is Uncertain or probable (d). All mentioned features	2	<b>CO1</b>
Q 2	The important feature of Risk Management is:- (a). Be Transparent & Inclusive (b). Explicitly express uncertainty (c). Be Systematic & Structured (d). All mentioned	2	<b>CO1</b>
Q 3	Budgeting is applied under which Risk Management technique: (a). Sharing (b). Retention (c). Reduction (d). Diversifying	2	<b>CO1</b>
Q 4	Insurance is applied under which type of risk management technique: (a). Sharing (b). Reduction (c). Retention (d). Diversifying	2	<b>CO1</b>
Q 5	Risk Management focuses on: (a). Reducing Profit volatility (b). Reducing earning volatility (c). Reducing Losses volatility (d). Reducing Depreciation volatility	2	<b>CO1</b>
Q 6	Which is not the Banking Industry Risk: (a). Liquidity & Interest Risk (b). Market Risk & Operational Risk (c). Credit & Default Risk (d). Claims & Customer Risk	2	<b>CO2</b>
Q 7	Which is not the Banking Industry Credit/Default Risk: (a). Counter Party Risk (b). Concentration Risk (c). Collateral Risk (d). Compliance Risk	2	<b>CO2</b>
Q 8	(RWA) means Risk -weighted assets for: (a). Corporates (b). Sovereign (c). Bank Exposures (d). All mentioned	2	<b>CO2</b>
Q 9	What are the possible benefits of Basel II : (a). To apply Risk based Pricing, tuning pricing to client's risk profile (b). Lower cost of funding capital from an improved rating (c). Improved insights in Processes & related risk could lead to more efficient granting of credits (d). All mentioned features	2	<b>CO2</b>
Q 10	_____ is basically the difference between the market value of the asset used as collateral and the loan amount.	2	<b>CO2</b>

	(a). Margin (c). Haircut	(b). Security (d). Credit Risk		
Q 11	Which is not the part of Market Risk: (a). Forex Risk (c). Price Risk		(b). Market Liquidity Risk (d). Credit Risk	2 CO3
Q 12	LCR ( Liquidity Coverage Ratio) is: (a) High quality liquid asset amount (HQLA)/Total net cash flow amount $\geq$ 100% (b) LCR is major takeaway and requirement of Basel-III (c) Banks are required to hold an amount of high-quality liquid assets that is enough to fund cash outflows for 30 days (d) All of the above			2 CO3
Q 13	Which is not the Banking Industry Liquidity Risk: (a). Funding Risk (c). Call Risk		(b). Time Risk (d). Forex Risk	2 CO3
Q 14	Interest rate risk is a type of : (a). Credit risk (c). Operational risk		(b). Market risk (d). All the above	2 CO3
Q 15	A bank holds a security that is rated A+. The rating of the security migrates to A. What is the risk that the bank has faced : (a). Market risk (c). Market liquidation risk		(b). Operational risk (d). Credit risk	2 CO3
Q 16	Objective of liquidity management is to: (a). Ensure profitability (c). Either of two		(b). Ensure liquidity (d). Both	2 CO3
Q 17	When a bank borrower, or counter party, fails to meet its payment obligations regarding the terms agreed with the bank, it is called: (a). Credit Risk (c). Market Risk		(b). Operational risk (d). Liquidity risk	2 CO3
Q 18	When there is a risk of loss resulting from inadequate or failed internal processes, people and systems or from external event, it is called: (a). Liquidity risk (c). Operational risk		(b). Systemic risk (d). Moral Hazard	2 CO3
Q 19	Under Basel III, the options available to compute capital for operational risk are: (a). Standardized approach (c). Advance measurement approach		(b). Risk management approach (d). Basic indicator	2 CO3
Q 20	Which category of operational risk events encompasses losses from KYC and guidelines breaches: (a).Clients, Products &Business practice (c). Internal Fraud		(b).Execution, Delivery & Process Management (d). Business disruption and System Failure	2 CO3
Q 21	What is the time period for which NSFR is focused on, as per BASEL-III : (a). 30 Days (c). Over a year period		(b). 6 Months (d). Over 5 Years	2 CO4
Q 22	How does the BASEL-III framework aims to strengthen the global capital framework: (a). Raising the quality, consistency and transparency of the capital base (b). Enhancing the risk coverage (c). Supplementing the risk based capital required with leverage			2 CO4

	(d). All of these		
Q 23	Which step of the Risk management process involve the determination of the contribution of each risk to the aggregate risk profile: (a). Identifying Risks (b). Prioritizing Risks (c). Integrating Risk (d). Quantifying Risks	2	CO4
Q 24	What does the common valuation and estimation errors, include: (a). Inaccurate data (b). Incorrect Sampling period length (c). Liquidity and valuation problems (d). All of these	2	CO4
Q 25	BASEL II Classify tax evasion as which type of Operational risk: (a). External fraud (b). Internal fraud (c). Business disruption (d). System failure	2	CO4
Q 26	What mitigate model risk: (a). Independent access to financial rates (b). Benchmark modelling (c). Health check & stress test (d). All of these	2	CO4
Q 27	A statistical technique to model used to evaluate market risk is known as: (a). Risk reward equation module (b). Credit risk rating module (c). Value at Risk (VaR) module (d). Retail portfolio module	2	CO4
Q 28	Audit means _____. (a). recording business transactions (b). preparing the final accounts (c). examination of books, accounts, vouchers etc. (d). Pre-examination of final accounts.	2	CO4
Q 29	Management audit otherwise called as _____ : (a). final audit (b). efficiency audit (c). Cost audit (d). Cash Audit	2	CO4
Q 30	A kind of audit conducted for a part of the accounting year is called _____ : (a). Periodical audit (b). Partial audit. (c). Cost audit (d). Interim audit	2	CO4
<b>SECTION B</b>			
Q 31	Contrast between the following: A. Time Risk and Duration Risk B. Transaction Risk and Compliance Risk OR C. Product Risk and Operation Risk D. Intermediary Risk and Situational Risk	5+5	CO1
Q 32	(a). List 7 Credit Function Dimension. (b). Define HQLA with Characteristics and its 3 level. OR (c). What is Threshold? Explain the features of a Threshold in Operational Risk. (d). Discuss extra certification & IT skills/knowledge needed to make you eligible for Risk/Compliance officer in BFSI domain in today digital era?	5+5	CO2
<b>SECTION-C</b>			
Q 33	Analyze Verification & Validation with the list of activities.	5+5	CO3
Q 34	Mention the types of Audit and discuss the principles of Audit.	5+5	CO4