


Name:	 UPES UNIVERSITY WITH A PURPOSE
Enrolment No:	

UNIVERSITY OF PETROLEUM AND ENERGY STUDIES

_____ Semester Examination, ____ 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	Risk characteristics are: (a). Risk is Futuristic (b). Risk is Event dependent or Triggered (c). Risk is Uncertain or probable (d). All mentioned features	2	CO1
Q 2	Which is not important feature of Risk Management is:- (a). Be Transparent & Inclusive (b). Explicitly express uncertainty (c). Be Systematic & Structured (d). Issue handling mechanism	2	CO1
Q 3	“Don’t put all your eggs in one basket” is applied under which Risk Management technique: (a). Sharing (b). Retention (c). Reduction (d). Diversifying	2	CO1
Q 4	Insurance is applied under which type of risk management technique: (a). Sharing (b). Reduction (c). Retention (d). Diversifying	2	CO1
Q 5	Risk Management focuses on: (a). Reducing Profit volatility (b). Reducing earning volatility (c). Reducing Losses volatility (d). Reducing Depreciation volatility	2	CO1
Q 6	Which is not the Banking Industry Operation Risk (a). Transaction Risk (b). Compliance Risk (c). Funding Risk (d). High Cost for Automation	2	CO2
Q 7	BASEL III is the _____ in the series of Basel Accord? (a). First (b). Second (c). Third (d). Fourth	2	CO2
Q 8	(RWA) means Risk -weighted assets for: (a). Corporates (b). Sovereign (c). Bank Exposures (d). All mentioned	2	CO2
Q 9	Under the framework of Basel II, the total regulatory capital Comprises of Tier-II, that is____ : (a). Core Capital (b). Supplementary Capital (c). Monetary Capital (d). Working Capital	2	CO2
Q 10	_____ is basically the difference between the market value of the asset used as collateral and the loan amount. (a). Margin (b). Security	2	CO2

	(c). Haircut	(d). Credit Risk		
Q 11	Which is not the part of Market Risk: (a). Direct Market Risk (b). Interest Risk (c). 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 (b). Time Risk (c). Call Risk (d). Forex Risk		2	CO3
Q 14	Interest rate risk is a type of : (a). Credit risk (b). Market risk (c). Operational risk (d). All the above		2	CO3
Q 15	What type of Risk should bank opt for: (a). Good risk (b). Bad risk (c). Small risk (d). Big risk		2	CO3
Q 16	Objective of liquidity management is to: (a). Ensure profitability (b). Ensure liquidity (c). Either of two (d). Both		2	CO3
Q 17	BSE Sensex consists of basket of _____: (a). 100 Stocks (b). 50 Stocks (c). 30 Stocks (d). 66 Stocks		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 (b). Systemic risk (c). Operational risk (d). Moral Hazard		2	CO3
Q 19	Under Basel III, the options available to compute capital for operational risk are: (a). Standardized approach (b). Risk management approach (c). Advance measurement approach (d). Basic indicator		2	CO3
Q 20	Net Interest income is: (a) Interest earned on advances (b). Interest earned on investments (c). Total interest earned on advances and investment (d). Difference between interest earned and interest paid		2	CO3
Q 21	What is the time period for which LCR is focused on, as per BASEL-III : (a). 30 Days (b). 6 Months (c). Over a year period (d). Over 5 Years		2	CO4
Q 22	A bank suffers loss due to adverse market movement of a security. The security was however held beyond the defeasance period. What is the type of the risk that the bank has suffered? (a). Market Risk (b). Operational Risk (c). Market Liquidation Risk (d). Credit Risk		2	CO4
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		2	CO4

	(c). Integrating Risk	(d). Quantifying Risks		
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	The risk that arises due to worsening of credit quality is : (a). Intrinsic Risk (b). Credit spread Risk (c). Portfolio Risk (d). Counterpart Risk		2	CO4
Q 26	Strategic Risk is a type of: (a). Interest Rate Risk (b). Operation Risk (c). Liquidity Risk (d). None 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	Banks need liquidity to:: (a). Meet deposit withdrawal (b). Fund loan demands (c). Both of them (d). None of these		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
SECTION B				
Q 31	Contrast between the following: A. Time Risk and Duration Risk B. Product Risk and Operation Risk OR C. Transaction Risk and Compliance Risk D. Intermediary Risk and Situational Risk		5+5	CO1
Q 32	(a). List 7 Credit Function Dimension. (b). What is Threshold? Explain the features of a Threshold in Operational Risk. OR (c). Define HQLA with Characteristics and its 3 level. (d). Compliance & regulatory Supervision for financial sector, i.e. Rules for Entry & Exit.		5+5	CO2
SECTION-C				
Q 33	Discuss different types of Risks in Insurance Industry. What are the regulations of risks in Insurance Industry?		5+5	CO3
Q 34	Discuss the principles of Audit & IT role in Risk Management & Compliance.		5+5	CO4