

AP-267

M.B.A. (Semester—III) Examination
RISK MANAGEMENT
Paper—MBA/3106/F

Time—Three Hours]

[Maximum Marks—70

N.B. :— (1) Attempt **ALL** questions.

(2) Figures to the right indicate marks.

SECTION—A

1. (a) Explain the nature and scope of the Risk Management Standards. How Risk Management Framework is implemented in organisation ?

14

OR

- (b) Discuss the various principles of Risk Management with suitable examples and explain the various perspectives of risk management.

14

SECTION—B

2. (a) State various risk assessment techniques and analyse the criteria of risk measurement.

7

- (b) A firm which is exporting its product to United States. As a Risk Manager suggest suitable environment and risk exposure of a firm.

7

OR

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(Contd.)

- (c) Discuss in detail the role of risk training in promoting risk awareness in organisations. 7
- (d) Suresh has joined Bharti Group as a project manager. Bharti Group follow all risk management system which are designed to encourage entrepreneurial spirit and also provide assurance that risk is fully understood and managed. During the execution of the project Suresh has identified key risk register is missing in which company maintains all the record and key risks faced by the group. As an consultant suggest some action to Suresh after risk being notified. 7
3. (a) Explain Corporate Governance Model with suitable example. 7
- (b) Infosys desired to reduce number of error in software program. What decision and control hierarchy Infosys should undertake to achieve the desired objectives ? 7

OR

- (c) What are the various risk in outsourcing project ? Explain in detail. 7
- (d) The players of Football Premiere League seek the payment that is as high as possible. But the

have sufficient resources to withstand the intense competition of the sector. Bank would evolve to be a complete and pure financial services provider, catering to all financial needs of the economy. Flow of capital will increase and setting up of bases in foreign countries will become common place. Finally, the economy will stand to benefit as the banking sector develops. Savings will be mobilized in the right direction and the required funds needed for the country's development will be made available.

- (i) Analyse the case 4
- (ii) How Risk Management discipline can be helpful to develop and adopt Banking Industry in changing Future circumstances ? 5
- (iii) Risk Management is a dynamic discipline with reference to Banking Industry. Comment. 5

Stakeholders may have contradictory view. Stakeholders want to see the League to be more profitable as possible. As a manager how will you manage the conflicting interest of different Stakeholders and the players ? 7

4. (a) Explain in detail the Enterprise Risk Management (ERM). Why ERM is important ? 7
- (b) Coca Cola name was tarnished when people of Kerala protested against the company in regards to product quality. How this would have affected risk of Coca Cola ? 7

OR

- (c) Enlist the various risks involved in Insurance. 7
- (d) A small retail shop is experiencing shortfall in cash collected against the merchandise sold. The owner doubts employees are stealing cash. Suggest how the owner of a shop should implement the risk control techniques ? 7

SECTION—C

5. The Indian Economy is booming on the back of strong economic policies and a healthy regulatory regime.

The effects of this are far-reaching and have the potential to ultimately achieve the high growth rates that the country is yearning for.

The Banking system lies at the nucleus of country's development. Robust reforms are needed in India's case to fulfill that. The BASEL II accord from the Bank of International settlements attempts to put in place sound frameworks of measuring and quantifying the risks associated with banking operations.

The risk management scenario and its effect on internal operations of bank, followed by the changes brought about in the banking sector of India and finally the macro effects on the economy. This enables one to disconcert the complete scenario that will emerge in the years ahead. The Risk Management Scenario will strengthen owing to the liberalization, regulation and integration with globe markets. Management of risks will be carried out proactively and quality of credit will improve, leading to a stronger financial sector.

The future will see a structural change in the banking sector marked by consolidation and shake-out within the sector. The smaller banks would not