

Exam. Code : 110705

Subject Code : 2965

Bachelor of Vocation (Financial Market Management)

5th Semester

OPERATION RISK MANAGEMENT

Paper : BVC-505

Time Allowed—3 Hours] [Maximum Marks—50

Note. :—(1) Attempt any **ten** questions from section **A**. Each question carries **1** mark. Answer each question in upto five lines in length.

(2) Attempt any **two** questions each from Section **B** and Section **C**. Each question carries **10** marks. Answer to each question should not exceed five pages in length.

SECTION—A

1. Write notes on the following :

- (i) Counterparty Risk
- (ii) Concentration Risk
- (iii) Market Risk
- (iv) Value at Risk
- (v) Risk Monitoring
- (vi) Enterprise Risk Management
- (vii) Corporate Governance
- (viii) Independent Risk Function
- (ix) Malicious Software

- (x) Regulatory Capital Requirement
- (xi) Advanced Measurement Approach for Capital Requirement
- (xii) Operational Risk Loss Events.

SECTION—B

2. What do you mean by Liquidity Risk ? How is this Risk measured ?
3. "Financial Services Industry is not only subject to various kinds of critical risks but it is also difficult to manage these risks". Elaborate this statement.
4. Discuss in detail the components of policy for managing Operational Risk.
5. Discuss in brief the methods for measuring Value-at-Risk.

SECTION—C

6. Discuss the causes and consequences of Operational Risk Events.
7. "When systematically analyzed, internal audit reports are an important source of significant loss events that should be tapped both in the implementation and ongoing operation of operational risk management". Elaborate this statement.
8. "The more and more intensive IT support of all enterprise activities facilitates processing, but also results in special operational risks". Elaborate this statement.
9. Discuss in detail the Basic Indicator approach for calculating regulatory capital for meeting operational risk.