

JAIPURIA INSTITUTE OF MANAGEMENT, NOIDA

PGDM / PGDM (M) / PGDM (SM)

FIFTH TRIMESTER (Batch 2023-25)

END TERM EXAMINATIONS, JANUARY 2025

REAPPEAR EXAM

Course Name	Management of Banks	Course Code	20238
Max. Time	2 hours	Max. Marks	40 MM

INSTRUCTIONS:

- This question paper has four questions
- Attempt all the questions
- Please be brief and concise in your responses
- This is a closed book examination
- State assumptions made if any
- Marks are indicated against each question

Question 1 (5+5 marks)

- (a) *Explain* the role of Letter of Credit (LC) in international finance and trade? How does it benefit the different parties involved in a LC arrangement?
- (b) Using an example of a recent banking scandal, *illustrate* the importance of ethics in banking.

Question 2 (6+4 marks)

- (a) In the foreign exchange market, the following exchange rates are given:

EUR/USD	1.2000
USD/GBP	1.5000
EUR/GBP	0.8000

If you have €1,000,000 in your account, *explain* how you will explore the possibility of arbitrage opportunities.

- (b) *Evaluate* the impact of rising Non-Performing Assets (NPAs) on the Indian banking sector.

Question 3 (6+4 marks)

- (a) *Explain* the term “loan syndication” and *compare* best efforts syndicate with firm commitment syndicate.
- (b) *Assess* the key functions of an insolvency resolution professional (RP) during the resolution process?

Question 4 (4+4+2marks)

- (a) *Explain* in detail any two advantages of bancassurance for both the insurers as well as the banks.
- (b) *What* are the different types of banks as classified by the Reserve Bank of India (RBI).
- (c) *Outline* any two disadvantages of cash credit facility.