

**PGDBL/004/ 22**

**POST GRADUATE DIPLOMA IN BANKING LAW EXAMINATION, APRIL 2022**

**Paper 4. Financial Analysis , Financial System -Contemporary and Emerging Issues,  
International Banking Management**

**Time: 3 Hours**

**Maximum Marks: 80**

**Answer Any Eight. Each question carries TEN marks**

**8x10=80 Marks**

1. Explain the role of Financial Institutions for the economic development of our country.
2. Define a. Right issue b. IPO c. Bonus issue
3. Differentiate Commercial paper and certificate of deposit
4. Describe the International Banking Scenario.
5. Explain Risk Management in International Banking with reference to Baise Committee
6. Financial Statement Analysis . Elucidate.
7. Explain a. Debt equity ratio b. Current Ratio c. Acid test ratio
8. Define a. Correspondent bank. b. Subsidiary and affiliates c. off shore banking
9. Calculate a) Net Worth b) Net Working Capital c) Current Ratio d) Quick Ratio from the following Balance sheet

LIABILITES		ASSETS	Rs. in lacs
Capital	180	Net Fixed Assets	400
Reserves	20	Inventories	150
Term Loan	300	Cash	50
Bank C/C	200	Receivables	150
Trade Creditors	50	Goodwill	50
Provisions	50		
	800		800

(PTO)

10. IBS Bank Ltd has Rs. 10000 crores to invest or lend.

Calculate Risk Weighted Assets on different options of investment by the bank.

- a. Invested 100 % in Govt. securities with yield of 8 %
- b. Invested 50 % in AAA rated companies with yield of 9 % ( 20 % risk ) and balance in Govt. Securities.
- c. Invested 40 % in AAA rated companies with yield of 9 % ( 20 % risk ), 30 % in AA rated companies with yield of 10 % ( 50 % risk ) and balance in Govt. Securities.

11.

LIABILITIES		ASSETS	
Capital + Reserves	355	Net Fixed Assets	265
P & L Credit	7	Cash	1
Loan From S F C	100	Receivables	125
Bank Overdraft	38	Stocks	128
Creditors	26	Prepaid Expenses	1
Provision of Tax	9	Intangible Assets	30
Proposed Dividend	15		
	550		550

a) What is the Debt Equity Ratio b. Current Assets c. Shareholders funds

12. Money Market and Capital market are vital for the financial stability of any country . Discuss.

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