

[Time: 2½ Hours]

[Marks:75]

Please check whether you have got the right question paper.

- N.B: 1. All questions are compulsory.
2. All questions carry equal marks.

Q1 Fill in the blanks (Any 8)

- iis a clearing platform
(NDS , CCIL , CLS)
- iicash forecast cover a rolling 12-18 months.
(Short term , Medium term , Long term)
- iiiis driven trading system for government securities
(NDS -OM , CBLO , FIMMDA)
- ivis fixed maturity ranging from 7 days to 1year.
(CP ,CD , LAP)
- vaccounts measures the cross border flow of money
(current , capital , financial)
- vi Settlement risk is a part of
- (market risk , credit risk , liquidity risk)
- vii When forward rate is less than spot rate , then the exchange rate is said to be at
- (premium , discount , stable)
- viiirisk relating to the regulatory aspects of treasury management (legal , market , operational)
- ixis a short term monetary instrument issued in the form of promissory note by the large corporates for short term borrowings. (commercial paper , T bill , bills of exchange)
- x International remittances include
- (forwards , foreign currencies , merchant transactions)

B True or False (Any 7)

- i Capital market is short term market
- ii Integrated treasury is holistic approach
- iii The interbank market is segment of forex
- iv Forward markets deals with future delivery
- v Duration method is used to measure operations risk
- vi Counter party risk is a part of credit risk
- vii ALM is used for managing assets
- viii Banks are main participants of national or domestic treasury
- ix The mainfunction of treasury management to maintain the profitability of business
- x Treasury management cannot be considered as a sub function of the financial management.

8

7

- Q2
- a What is treasury management? State its functions. 8
 - b State the role of treasury and treasurer. 7
- OR
- c Explain liquidity and cash flow management. 8
 - d Explain payment and settlement system. 7
- Q3
- a Explain the role of CCIL and products. 8
 - b What is money market? State any three instruments of money markets. 7
- OR
- c What do you mean by gap management? 8
 - d Explain classification of treasury management. 7
- Q4
- a State the factors affecting forex markets. 8
 - b What is forward market and forward rates? 7
- OR
- c What are the factors affecting exchange rates? 8
 - d State the different types of risk associated to treasury. 7
- Q5
- a What are effective steps involved in implementing and maintaining an effective risk management system? 8
 - b Explain risk management system in banks. 7
- OR
- Q5 Short Note (Any 3) 15
- a Special Refinance Facility
 - b Delegation with Accountability
 - c Banking Relationship of treasury management
 - d Payment and settlement systems
 - e Management Reporting