QP Code: R264D013 Reg. No | | | | | | | | | | | AY - 24

Gandhi Institute of Engineering and Technology University, Odisha, Gunupur
(GIET UNIVERSITY)

M.B.A. (Fourth Semester) Regular Examinations, April – 2026

23MBAFM24011- Financial Risk Management

(MBA- Finance)

Time: 3 hrs | Maximum: 60 Marks

(The figures in the right hand margin indicate marks.)

PART – A **(2 x 5 = 10 Marks)**

Q.1. Answer ***ALL*** questions

	Question	CO #	Blooms Level
a.	Define Risk with a suitable example.	CO1	K1
b.	Mention any two methods of measuring the market risk	CO2	K2
c.	Define Hedging.	CO3	K1
d.	Explain Loss Event in operational risk.	CO4	K1
e.	Explain about What is Dodd-Frank Act.	CO5	K1

PART – B **(10 x 5 = 50 Marks)**

Answer ***all the*** questions

	Question	Marks	CO #	Blooms Level
2. a.	Explain market risk management with reference to a real-life case study.	5	CO1	K1
b.	Analyze the lessons learned from a real-life case of market risk management failure or success.	5	CO1	K3
	OR			
c.	Explain the different types of financial risks (Market, Credit, Liquidity, and Operational Risk) and their impact on financial institutions.	10	CO1	K1
3. a.	Explain Liquidity Risk and discuss its causes.	6	CO2	K1
b.	Discuss the measurement and management techniques of Liquidity Risk.	4	CO2	K3
	OR			
c.	Define Credit Value at Risk (Credit VaR) and explain its basic concept.	5	CO2	K1
d.	Discuss the significance of Credit Value at Risk (Credit VaR) in risk management.	5	CO2	K1
4. a.	Explain the concept of Scenario Analysis in risk management and discuss its importance in financial decision-making.	5	CO3	K1
b.	Discuss Stress Testing techniques used in financial risk management.	5	CO3	K3
	OR			
c.	Explain how futures contracts can be used to hedge foreign exchange risk caused by currency fluctuations.	6	CO3	K1
d.	Discuss how options can help a company protect itself from losses arising from exchange rate volatility.	4	CO3	K3
5. a.	A bank gave loans without proper credit assessment and faced high NPAs. Explain how credit scoring models can help reduce such credit risk.	6	CO4	K4
b.	Discuss how credit ratings can improve lending decisions and minimize defaults to the Bank	4	CO3	K3

OR

c.	A financial institution is facing sudden cash shortages due to unexpected customer withdrawals. Explain how liquidity risk can be measured and managed in this situation.	5	CO4	K2
d.	A company wants to check whether it can survive during an economic crisis with limited cash flow. Discuss how stress testing can help in managing liquidity risk.	5	CO4	K3
6. a.	A financial company is facing repeated cyber frauds and transaction risks in digital payments. Explain how FinTech can help in improving financial risk management.	5	CO5	K1
b.	A bank wants to improve customer verification and reduce fraud in online transactions. Discuss how modern risk management technologies can help solve this problem	5	CO5	K2
	OR			
c.	A fintech company uses AI for risk prediction. Discuss the advantages and challenges of using AI in financial risk management.	10	CO5	K4

End of Paper