



Plot No. 2, Knowledge Park-III, Greater Noida (U.P.) – 201306

POST GRADUATE DIPLOMA IN MANAGEMENT (2018 -20)
MID TERM EXAMINATIONS (TERM - V)

Subject Name: **Management of Banking & Financial Services**
Subject Code: **PGF-03**

Time: **01.30 hrs**
Max Marks: **20**

Note:

- 1. Writing anything except Roll Number on question paper will be deemed as an act of indulging in unfair means and action shall be taken as per rules.**
- 2. All questions are compulsory in Section A, B & C. Section A carries 1 Case Study of 8 marks. Section B carries 3 questions of 2 marks each and Section C carries 2 questions of 3 marks each.**

SECTION - A

04+04 = 08 Marks

Q. 1: Case Study of the Indian Banking and Financial Services Industry using Strategic Tools.

As finance is the grease and the oil that keeps the engine of any economy running, the BFSI sector assumes importance in this context. While the post-independence era witnessed many large private banks that were either family or community-run, as well as some government, owned banks, the nationalization of the banking sector in 1969 and the early 1970s meant that the government was the prime mover as far as banking and finance was concerned. The situation of government ownership of banks continued well into the 1990s when the first wave of liberalization ensured that banks were now allowed to be privately owned. While multinational banks were always privately owned, most Indian banks were government-owned or owned in a quasi-governmental manner.

Even after liberalization, the RBI or the Reserve Bank of India proceeded cautiously as far as private ownership of the BFSI sector was concerned. However, this did not deter many firms such as the NBFCs. Non-Banking Financial Companies from operating and indeed, flouting the rules thereby leading to periodic bouts of crises. Now, the BFSI sector in India is in a position where it can compete with its peers abroad and elsewhere mainly due to the pioneering efforts of the first wave of post-liberalization banks such as HDFC and ICICI. No wonder that the Indian BFSI sector has become a dream job destination for millions of graduates in the technical and managerial institutes. Having said that, at present, the BFSI sector in India is in crisis due to its profligate lending practices during the boom years of the first decade of the 21st century. Indeed, concomitant with the growth of the Indian Economy and the blistering pace of capacity addition as well as booming industries, the banks, and financial institutions threw caution to the winds and engaged in indiscriminate lending without doing their due diligence. For instance, during the heydays of growth between 2000 and 2008, banks, and financial institutions in India lent to just about anybody and the GFC or the Global Financial Crisis of 2008 resulted in such debts turning bad.

Questions:

- In lights of the above scenario, discuss the major strengths and weakness of Indian Banking and Financial Service Industry.
- In lights of the above scenario, discuss the major opportunities and threats for Indian Banking and Financial Service Industry.

SECTION - B

02×03 = 06 Marks

Q. 2: Explain Liquidity Coverage Ratio (LCR).

Q. 3: What do you mean by fees based financial services? Give an example of any two fees based financial services.

Q. 4: Briefly explain the various factors affecting Liquidity Risk in Commercial Banks.

SECTION - C

03×02 = 06 Marks

Q. 5: What are the various risks associated with the banking business in India.

Q. 6: Explain the role of Reserve Bank of India as an apex regulator of the Indian Banking Industry.