



Name :

Roll No. :

Invigilator's Signature :

CS/BIRM/SEM-5/BIRM-506/2010-11

2010-11

ENTERPRISE RISK MANAGEMENT

Time Allotted : 3 Hours

Full Marks : 70

The figures in the margin indicate full marks.

Candidates are required to give their answers in their own words as far as practicable.

GROUP – A

(Multiple Choice Type Questions)

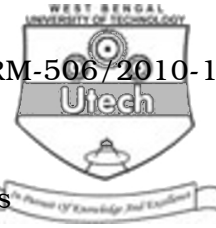
1. Choose the correct alternatives for the following : $10 \times 1 = 10$

- i) Turn bull report was published by
 - a) Bombay Stock Exchange
 - b) London Stock Exchange
 - c) Toronto Stock Exchange
 - d) None of these.

- ii) COSO stands for
 - a) Common Sales Objections
 - b) Commonwealth Sports Operation
 - c) Committee of Sponsoring Organization
 - d) None of these.



- iii) Organizational losses due to the reasons of people committing mistakes are called
- a) Human Mistake
 - b) Organizational Risk
 - c) Risk of Human Error
 - d) None of these.
- iv) Client's inability or unwillingness to pay the bills involves
- a) Price Risk
 - b) Market Risk
 - c) Credit Risk
 - d) None of these.
- v) CRM means
- a) Corporate Resource Management
 - b) Corporate Risk Management
 - c) Both (A) & (B)
 - d) None of these.
- vi) What do you mean by operational risk ?
- a) Risk of operating bank deposit
 - b) Risk of operating a vehicle
 - c) Risk associated with day to day operations of an enterprise
 - d) None of these.
- vii) CRO stands for
- a) Chief Revenue Officer
 - b) Cash Reserve Officer
 - c) Credit Rating Officer
 - d) Chief Risk Officer.



- viii) What is a call option ?
- a) A special type of banking operations
 - b) A clause of insurance policy
 - c) A special type of financial derivative
 - d) All of these.
- ix) Hedging is a
- a) Risk enhancing method
 - b) Risk reducing method
 - c) Disinvestment
 - d) None of these.
- x) VAR stands for
- a) Value and Risk
 - b) Value at Risk
 - c) Value Against Risk
 - d) Value Added Risk.

GROUP – B

(Short Answer Type Questions)

Answer any *three* of the following. $3 \times 5 = 15$

2. Explain the role of Chief Officer in Enterprise Risk Management.
3. State the various risks faced by an enterprise in today's scenario.
4. Write down the steps involved in operational risk management.

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5. How can strategic risk be managed as described by Miller and Kent D. ?
6. What are the benefits of Enterprise Risk Management ? Give examples.

GROUP – C

(Long Answer Type Questions)

Answer any *three* of the following. $3 \times 15 = 45$

7. Define derivatives. Explain the various types of financial derivatives with example. $5 + 10$
8. Explain the integrated approach to ERM COSO model. Discuss about the components of ERM. $7 + 8$
9. Define Merger and Acquisition. Why is merger risky ? Describe the strategic issues in merger and acquisition. $2 + 5 + 8$
10. What is financial risk ? Explain the objective of financial risk management. What are the types of financial risk ? $2 + 5 + 8$
11. Explain the techniques of transferring financial risk. Discuss about commonly used derivatives. $7 + 8$