

SVKM's NMIMS
School of Distance Learning

Programme: PGDBFM

Academic year: 2011 – 2012

Subject: Advances and Credits

Date: 03.01. 2012

Semester: IV

Course New

Marks 70

Time: 3.00 p.m. to 6.00 p.m.

Instructions:

Candidates should read carefully the instructions printed on the question paper and on the cover of the Answer book, which is provided for their use. Figure in brackets indicates full marks.

Q.1. Write Short Notes on any two of the following: (10 Marks)

- a. Credit Policy & Credit Delivery
- b. Consortium Loan & Syndication
- c. Commercial Paper and Certificate of Deposit
- d. NPA and Bad Debt Provisions

Q.2 Discuss any two of the following: (10 Marks)

- a. Factoring & Forfeiting
- b. Pre-Post shipment finance at LIBOR related rates
- c. Six C's approach for financing any business
- d. Buyer's Credit
- e. DSCR

Q.3. Attempt any three of the following (30 Marks)

- a. What are the circumstances under which the lender may fail to perform a financial analysis of the borrower? Why is financial analysis so vital to credit management?
- b. Develop a checklist for credit reviews in a typical bank?
- c. Discuss the Corporate Debt restructuring scheme of RBI. Would banks prefer to use this?
mechanism to restructure potentially viable corporate bodies or would they prefer to securitize loans that need restructuring?
- e. What are the various Trade Finance Products used by a company and offered by a Financial Institution.

Q.4. Answer the following: (20 Marks)

- a. What factors would bankers consider before deciding to use Credit derivatives. Develop a checklist.
- b. Discuss about various Basel Committee recommendations for assessment of Bank's Management of Credit Risk.