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Graded Assignment

Qualified Assessment

Assignment details

Due Jan 17, 11:59 PM IST

Attempts Unlimited



Submitted Jan 7, 11:12 PM IST

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1. Repeated risk management failures at Credit Suisse ultimately led to what outcome for the bank?

- ☐ It was categorized as a 'high risk' bank by Swiss regulators
- ☒ It was taken over by Swiss rival UBS
- ☐ It was taken over by the Swiss Government
- ☐ It filed for bankruptcy in Swiss courts

✔ Correct

1 / 1 point

2. Which version of the Basel Accords included stricter definitions of different types of risks that could lead to losses and more guidance on effective risk management frameworks?

- ☐ Basel IV
- ☒ Basel III
- ☐ Basel I
- ☐ Basel II

✔ Correct

1 / 1 point

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3. Risks can be broadly classified as financial and non-financial risks. Which of the following is an example of financial risk?

- ☐ Compliance risk
- ☐ Reputational risk
- ☒ Credit risk
- ☐ Model risk

✔ Correct

1 / 1 point

4. What type of risk can result in a financial loss to a bank as a result of failed or inadequate processes, systems, people or external events?

- ☐ Counterparty risk
- ☒ Operational risk
- ☐ Credit risk
- ☐ Market risk

✔ Correct

1 / 1 point

5. Which of the following scenarios poses the highest reputational risk for a bank?

- ☐ A temporary disruption to online banking services due to technical issues
- ☐ Reducing the size of the bonus pool of employees
- ☒ A data breach resulting in the loss of sensitive customer information
- ☐ A decrease in interest rates, resulting in lower profitability for the bank

✔ Correct

1 / 1 point

6. In 2023, Silicon Valley Bank could not access funding to carry on its day-to-day activities, which was a major contributor to the bank filing for bankruptcy. This is an example of what kind of risk?

- ☐ Compliance risk
- ☒ Liquidity risk
- ☐ Model risk
- ☐ Market risk

✔ Correct

1 / 1 point

7. After establishing an appropriate risk appetite, what is the correct order of steps in an effective Enterprise Risk Management framework?

- ☐ Assess, identify, respond, monitor
- ☐ Identify, respond, assess, monitor
- ☐ Identify, assess, monitor, respond
- ☒ Identify, assess, respond, monitor

✔ Correct

1 / 1 point

8. Risk capacity describes:

- ☒ The total risk a bank can take on over a given time period without potentially wiping out its capital buffer
- ☐ The amount of risk a bank is prepared to take on over a given time period
- ☐ The total amount of different types of risk a bank is prepared to take on over a given time period
- ☐ The impact and frequency that of specific risks a bank has identified in its Enterprise Risk Management framework

✔ Correct

1 / 1 point

9. A broad definition of risk is that the risk is the _____ of future expected events. The missing word that completes this sentence is:

- ☐ Transparency
- ☐ Confidence
- ☐ Certainty
- ☒ Uncertainty

✔ Correct

1 / 1 point

10. During the Global Financial Crisis of 2008, which of the following is an example of a bank that filed for bankruptcy due to ineffective risk management and a poor risk culture?

- ☐ Wells Fargo
- ☒ Lehman Brothers
- ☐ Santander
- ☐ Barclays PLC

✔ Correct

1 / 1 point

11. Three critical elements that foster an appropriate risk culture are a management team that places importance on managing risk, having clear lines of accountability and ownership of risk, and what else?

- ☐ Ensuring penalties for excessive risk taking a severe enough to act as a suitable deterrent
- ☐ Ensuring the risk management function has the necessary power to sanction employees for unsuitable behavior
- ☒ Remuneration schemes that reward appropriate behaviors to risk
- ☐ Embedding risk policies into employment contracts

✔ Correct

1 / 1 point

