

Management Information System (MIS), Operational Risk and Concept of Economic Capital

Nada Dreca

International University of Sarajevo

Bosnia And Herzegovina

nadja_n88@hotmail.com

Abstract: *The aim of this paper is to explain management information system and its relationship with operational risk and level of economic capital. Today, use of the information technology represents one of the most important ways to achieve organizational success. Effective use of the information technology would lead to the improvement in operational efficiency and greater business management. It would be explained through the application of management information system in banking sector. We will discuss the use as well as the risk that bank is exposed to by using these operations. Information systems have very significant role in banks. Application of information technology affects efficiency of banking operations. With the expansion of e-banking and other electronic banking products and service, banks become more exposed to risk in their daily operations, with the increase possibility of operational risk and different forms of frauds. This is descriptive and theoretical research, mostly based on literature review and findings from different sources. The aim of study is to clarify concept of Management Information Systems (MIS) and show influence of MIS in banking. It plays an important role in decision making process, mostly about protection against potential losses and serves as good management tool. This paper contributes to theoretical literature about Management Information Systems in banking, operational risk, and explanation of Basel Standards and better understanding of Concept of Economic Capital. Economic capital represents amount that serves as coverage for operational risk, with the aim to protect bank from unexpected operational losses.*

Keywords: *Management Information System, Banking, Operational Risk, Basel Accords, Economic Capital.*

