

MIS 301 Essential of E-Business

BBA BI, 6th Semester

Course Objectives

This course is designed with the objective of defining the nature and scope of e-business technologies along with a brief history of their development and implementation. The course familiarizes students with the way e-business technologies can be applied within business firms. This subject considers the organizational dimension of e-business implementation in order to reflect the likely nature of future challenges and opportunities.

Course Description

First, this course introduces students to the fundamental concepts, philosophies and trends that provide the context of E-business and E-Commerce. Students will then be better able to understand and apply, with confidence, the technical and theoretical knowledge that will be learned in later sections. Additionally, students are required to prepare a report on E-Business Plan and present it for class-room discussion.

Course Outcomes

After going through this course, students should be able to:

- Define the nature and explore the scope and economic and social impact of e-business technologies;
- Critically assess the potential for efficiency gains and growth in consumer power from e-business technologies;
- Understand the role of technology in e-business and trace its evolution;
- Assess the likely consequences of e-business technologies for change at the societal level;
- Understand the concept and role of digital marketing and e-payment systems;
- Gain awareness of the nature and scale of challenges in the business environment that will affect the future development of e-business.

Course Contents

Unit I: Introduction **7 hours**
Concept of e-business; Nature, scope, and impact of e-business; Difference between e-business and e-commerce; History and development of e-business; Advantages of e-business; Business models for e-products and e-services; Contribution of e-business to economic growth, market, competitiveness, and productivity.

Unit II: Technologies in e-business **8 hours**
Introduction; e-business technologies - hardware, e-business software applications, internet and World Wide Web; Database management system; e-business security; Online payment technology; IT/IS evaluation and e-business; Social consequences of e-business technologies.

Unit III: Digital Marketing **7 hours**
Concept; Effects of e-business technologies on marketing strategy, customer retention and e-CRM; Measuring the extent of digital marketing activity; Market analysis; Digital marketing tools; Viral marketing.

Unit IV: E-Business and Operations management **6 hours**
Difference between purchase and procurement; Market solutions - sell-side, buy-side, and market place; Integration of product catalogue; Procurement service providing.

Unit V: E-Contracting **4 hours**
Concept of generic services - information, negotiation, archiving, enforcement, reconciliation; Structure of a contract; Digital signature; Legal affairs.

Unit VI: Online Distribution **5 hours**
Components of a distribution system; Characterization of online distribution; hybrid distribution networks; Model for electronic software distribution.

Unit VII: E-Payment System **7 hours**
Characteristics of payment system; Classification of payment systems - E-cash, E-check, overview of smart card; Applications of IPSec.

Unit VIII: E-Business Plan Development **4 hours**
Students must develop an E-Business Plan; The business plan must incorporate IT-features that would address complete requirements to run a specified business.

Basic Texts

1. Jonathan R. J. *E-Business A management perspective*. New Delhi: Oxford University Press.
2. Chan, H., Lee, R. Dillon, T., & Chang, E. *E-Commerce: Fundamentals and Applications*. New Delhi: John Wiley & Sons.

References

1. Kulkarni, P., Jahirabadkar, S., & Chande, P. *E-Business*. New Delhi: Oxford University Press.
2. O'Brien, J. A., Marakas, G. M., & Behl, R. *Management Information Systems*. New Delhi: Tata McGraw Hill.
3. Rajaraman, V. *Introduction to Information Technology*. New Delhi: Prentice Hall of India.

FIN 231 Financial Management

BBA BI, 6th Semester

Course Objectives

This course aims to provide students with the basic understanding of important aspects of financial management and critically evaluate financial information. Students are introduced to concepts and tools that enable them to think critically about the financial opportunities and challenges faced by an organization. The course thus lays the foundation in students for further study in finance and equip them adequately to undertake financial decisions.

Course Description

This course will deal with the basics of financial management, especially, introduction to financial management, concept of capital structure, effects of leverage, elementary knowledge on theory of capital structure, dividend policy, long-term and short-term financing, working capital management, and elementary knowledge on special topics such as derivatives, financial distress, merger and acquisition. Through lectures, readings and case studies students learn fundamentals of financial management and the skills and their application in financial decision making.

Course Outcomes

By the end of this course, students should be able to:

- understand the nature of financial management;
- understand the basic concept and issues of capital structure, effect of leverage; capital structure theories, and dividend policy as a part of capital structure decision;
- identify the sources of long-term and short-term financing, short-term financing policies, and be familiar with the concept of venture capital, public offering and investment banking;
- understand the concept of working capital and working capital management, and components of working capital;
- understand the concept of derivatives, types of options, and gain the skill to calculate the value of options; and
- understand the basic concept of financial distress, merger and acquisition, and international aspect of financial management.

Course Contents

Unit I: Introduction **5 hours**

Meaning of financial management; Financial management decisions; Financial manager's responsibilities; Value maximization goal as a financial management decision criterion; The agency relationship; Concept of corporate governance.

Unit II: Capital Structure and Leverage **6 hours**

Concept of capital structure; Target capital structure; Business and financial risk; Break even analysis; Leverage: concept, operating leverage, financial leverage, total leverage, impact of financial leverage; Capital structure theories: traditional approach, net income approach, net operating income approach, the Modigliani-Miller's proposition.

Unit III: Dividend and Dividend Policy **5 hours**
Nature of dividend policy; Cash dividend and dividend payment; Factors affecting dividend policy; Establishing a dividend policy; Stock repurchase; Stock dividend, stock split and reverse split.

Unit IV: Raising Capital **6 hours**
Term loan; Bonds: meaning and features, types, bond innovation; Preferred stock: features, advantages and disadvantages; Common stock: equity account in balance sheet, Rights and privileges of common stockholders; features of common stock; Cost and benefit of debt versus equity; Methods of selling securities; Initial public offerings; Concept and functions of investment bankers; Concept of venture capital; Concept of lease financing.

Unit V: Short-Term Financial Planning **6 hours**
Concept of short-term financial management; Tracing cash and net working capital; The operating cycle and the cash cycle; Important aspects of short-term financial policy: The size of the investment in current assets, alternative financing policies for current assets; Cash budget.

Unit VI: Short-term Financial Management **11 hours**
Float and cash Management: reasons for holding cash and understanding float; Cash management: collection, disbursement and investment; Credit and receivables: components of credit policy, terms of sales, optimal credit policy, credit analysis, collection policy; Inventory management: concept and types, inventory management techniques—ABC approach, and EOQ.

Unit VII: Introduction to Derivatives **5 hours**
Concept of derivative and underlying assets; Option: meaning, types, determinants of option value, valuation of call option and put option; Futures contract and forward contract; Warrants: meaning, features, valuation; Convertibles: meaning, Conversion ratio, conversion price and conversion value.

Unit VIII: Special Topics **4 hours**
Merger and acquisition: meaning, motives, types, difference between merger and acquisitions; Financial distress: concept of financial distress, bankruptcy and liquidation.

Basic Texts

1. Ross, S. A., Westerfield, R. W., & Jordan, B. D. *Fundamentals of Corporate Finance*. New Delhi: Tata McGraw-Hill.
2. Brealey, R.A., Myers S.C., Allen, F., & Mohanty, P. *Principles of Corporate Finance*. New Delhi: Tata McGraw-Hill.

References

1. Brigham, E. F., & Ehrhardt, M. C. *Financial Management: Theory and Practice*. Delhi: Clengage Learning.
2. Van Horne, J. C., and Wachowicz, J. R. *Fundamentals of Financial Management*. New Delhi: PHI Learning.
3. Paudel, R. B., Baral, K. J., Gautam, R. R. & Rana, S. B. *Fundamentals of Corporate Fianace*. Kathmandu: Asmita Book Publishers and Distributors.
4. Manandhar, K. D., et al. *Fundamentals of Corporate Finance*. Kathmandu: Khanal

Publication.

DRAFT COPY

LAW 292 Legal Aspects of Banking and Insurance

BBA BI, 6th Semester

Course Objectives

The aim of this course is to familiarize students with the legal environment and framework in which banking and insurance companies operate. Specifically, the course enables students to comply with banking and insurance regulations while working in banks and insurance industries.

Course Description

This course provides an understanding of the legal framework in which banks and insurance companies operate. It introduces the nature of banking and insurance regulations and regulators and discusses regulations related to bank establishment and bank operation, laws relating to capital requirements and reporting. Similarly, the course also covers insurance laws related to insurance contract, tariff setting and claim settlement process. Finally, it deals with corporate governance of banks and insurance companies and important provisions of acts related to the conduct of banking and insurance businesses.

Course Outcomes

On successfully completing this course, students will be able to:

- understand the nature and development of banking and insurance laws;
- apply the rules and regulations in the establishment of banking and insurance companies;
- assess capital requirements of banks and insurance companies
- comply with the reporting requirements of regulators and other stakeholders;
- fulfill duty of disclosure and understand the effects of non-disclosure;
- apply due process in claim settlements and understand semi judiciary role of Insurance Board in claim settlement;
- explain basic principles of corporate governance; and
- demonstrate the knowledge of understanding of important provisions of major acts related to banking and insurance businesses and the role of Nepal Rastra Bank and Insurance Board in regulating banks and insurance companies.

Course Contents

Unit I: Introduction to Banking and Insurance Laws

3 hours

The need of regulation in banks and insurance companies; development of banking and insurance laws in Nepal.

Unit II: Registration of Bank and Insurance Companies

8 hours

Bank and insurance companies as legal personality; memorandum of association; articles of association; application for registration; capital requirements; categorization of banks and insurance companies; Relevant provisions of Banks and Financial Institutions Act and Insurance Act in the registration of banks and insurance companies.

Unit III: Corporate Affairs, Accounting and Reporting **10 hours**
Corporate reporting; directors' meetings; provisions relating to maintenance of accounts and auditing, applications of accounting standards to banks and insurance companies; and reporting to shareholders and regulators.

Unit IV: Bank Operations **5 hours**
Laws relating to deposit, lending, international trade, remittance and ancillary services; negotiable instruments; capital adequacy ratio; prudential norms relating to capital; and consequences of non-compliance.

Unit V: Legal Framework of Insurance **3 hours**
Insurance and the law of contract: general requirements of an enforceable contract; void and voidable; special legal characteristics of insurance contract: insurance as a contract of indemnity, insurance as a personal contract, insurance as a unilateral contract, insurance as a conditional contract, insurance as a contract of adhesion, insurance as a aleatory contract, and insurance as a contract of utmost good faith.

Unit VI: Regulation of Insurance Industry **6 hours**
Goals of insurance regulation; current regulatory structure; federal versus state regulation; areas of regulation: solvency regulation, market regulation, regulation of rates; claim procedures and settlement; breach of contract; disputes of insurance; semi judiciary role of Insurance Board in claim settlement; and ombudsman.

Unit VII: Corporate Governance in Banks and Insurance Companies **3 hours**
Principles of corporate governance; Nepal Rastra Bank's directives to banks on corporate governance; and Insurance Board's directives to insurance companies on corporate governance.

Unit VIII: Major Regulations and Regulators of Banking and Insurance **10 hours**
Features and coverage of Banks and Financial Institutions Act 2006; features and coverage of Insurance Act 1992; features and coverage of NRB Act; features and coverage of debt recovery act and banking offence act; role of Nepal Rastra Bank in regulating banks, and role of Insurance Board in regulating insurance companies.

Basic Texts

1. Indian Institute of Banking and Finance. *Legal and regulatory aspects of banking*. New Delhi: McMillan India.
2. Gupta, P. K. *Legal aspects of insurance*, Bombay: Himalayan Publishing House.

References

1. Gordon, E. *Banking theory law and practice*. Bombay: Himalaya Publishing House.
2. Vaughan, E. J. & Vaughan, T. M. *Fundamentals of risk and insurance*. John Wiley
3. Regda, E. George. *Principles of Risk Management and Insurance*. New Delhi: Pearson Education.
4. Government of Nepal. *Banks and Financial Institutions Act, 200*.
5. Government of Nepal. *Insurance Act 1992*.
6. Government of Nepal. *Securities Act 200*.
7. *Government of Nepal. Nepal Rastra Bank Act 2002*.
8. Nepal Rastra Bank. *NRB Unified directives and guidelines – updated versions*.

FIN 331 Life and Health Insurance
BBA BI, 6th Semester

Course Objectives

The aim of this course is to provide students broad knowledge on the principles and practices of life and health insurance. It also aims to provide students required skills useful to apply the principles and practices in managing life and health insurance business.

Course Description

This course mainly covers: fundamental principles of life insurance, types of life insurance policies, life insurance contractual provisions, underwriting and claim settlement processes, buying life insurance, group insurance and annuities, individual health insurance coverage, and life insurance market.

Course Outcomes

On successful completion of this course students will be able to:

- understand fundamental principles of life insurance;
- evaluate the significance of different types of insurance policies and their contractual provisions;
- follow the procedures of underwriting and claim settlement in case of life and health insurance;
- determine the cost, rate of return and tax implications of life policies and annuities
- explain major aspects of group insurance along with their benefits and costs;
- explain individual health care coverage and identify problems of health care; and
- understand the life insurance market and its participants.

Course Contents

Unit I: Introduction	4 hours
Meaning of life insurance; economic value of life, brief history of life insurance in general and in Nepal.	
Unit II: Fundamentals of Life Insurance	6 hours
Premature death; financial impact of premature death on different types of families; amount of life insurance to own; methods of providing life insurance protection.	
Unit III: Life Insurance Contract Procedures	6 hours
Requirements of life insurance contract; proposal form; agent's report; medical report; insurance policy; coverage; add on cover; exclusion; policy condition; schedule; life insurance contractual provisions.	
Unit IV: Life Insurance Underwriting and Claim Settlement	10 hours
Guiding principles in life insurance; life underwriting process; mortality table; premium; different reserves and provisions; investment of life insurance fund; nomination and assignment; policy lapse and revival. Life insurance claim settlement process; maturity claim; death claim; obligation of policyholders and insurers; settlement option; paid up value; surrender value and their calculation; valuation and surplus.	

Unit V: Types of Life Insurance Policies **5 hours**
Term life insurance; whole life insurance; endowment life insurance; variation of whole life insurance; other types of life insurance policies; life insurance products in Nepal.

Unit VI: Buying Life Insurance **5 hours**
Determining the cost of life insurance; rate of return on saving components; taxation of life insurance in Nepal; shopping for life insurance.

Unit VII: Group Insurance and Annuities **6 hours**
Group insurance; group life insurance; group accident insurance; group health insurance; annuities; taxation on annuities, individual retirement account.

Unit VIII: Health Insurance **6 hours**
Health insurance: individual and group health insurance; hospital-surgical insurance; major medical insurance; third party administrator; shopping for health insurance; health care problem in Nepal.

Basic Texts

1. Black, Kenneth Jr. & Skipper, Harrold D. Jr. *Life & health insurance*. New Delhi: Pearson Education.
2. Regda, E. G. *Principles of risk management and insurance*. New Delhi: Pearson Education.

References

1. Kutty, Shashidharan K., *Meaning life insurance*. Delhi: Prentice Hall of India.
2. Indian Institute of Banking and Finance, *Risk management*. Delhi: Macmillan India Ltd.
3. Holyoake, J. & Weipers, W. *Insurance*. Delhi: A.I.I.B.S. Publishers and Distributors.
4. Balachandran, S., Thomas, George E., Choubal, A.S., Sharma, Madhuri & Nalkur, Nandini. *Practice of life insurance*. India: Insurance Institute of India.
5. Mishra, M. N. & Mishra S. B. *Insurance principles and practice*. Delhi: S. Chand & Company Ltd.
6. Beema Samiti, *Directives to insurance companies*.