

MGT 411 Business Environment in Nepal
BBA BI, 8th Semester

Course Objectives

The course aims to provide students with a sound understanding of environmental forces affecting business operations and to develop their ability to analyze such environmental forces in the Nepalese context. The focus of the course is therefore to review the major environmental forces and analyze their dynamics applicable to Nepalese business.

Course Description:

The course covers the relevant political, economic, legal, socio-cultural, and technological environmental aspects of Nepal and their effects on Nepalese business. In addition, it covers the regional and global environmental factors influencing Nepalese business scenario.

Course Outcomes

After studying this course, students should be able to:

- analyze and identify the opportunities, limitations, and constraints of business;
- pinpoint the changes in the environment and the impact on Nepalese businesses.

Course Contents

Unit I: Concept of Business Environment **4 hours**
Concept and framework of business environment; Components of business environment; Environmental scanning/analysis – concept and methods; Use of environmental analysis in strategic management.

Unit II: Economic Environment **4 hours**
Economic dimensions of an economy – economic, socio-economic, and industrial dimension; Basic social and economic indicators for Nepal, Analysis of these dimensions and their impact on business; An overview of the latest economic development plan - its objectives and strategies; Indicators of analyzing economic environment.

Unit III: Economic Policies and Reforms **8 hours**
Privatization - meaning of privatization, methods of privatization; Privatization policy and practices in Nepal; Industrial Policy - concept and objectives of industrial policy in Nepal; Trade Policy - concept and objectives of trade policy; Labour and Employment Policy - concept and objectives of labour and employment policy; Tourism Policy – concept and objectives of tourism policy in Nepal; Current monetary policy in Nepal; Fiscal policy in Nepal, Liberalization of the Nepalese economy and its effects on the financial and capital market sectors; Effects of liberalization – emerging business environment in Nepal.

Unit IV: Agriculture, Trade and Industrial Sectors: Performance and Issues **5 hours**
Nepal's agriculture sector – performance and issues; Nepal's industrial sector – export-oriented and import substituting industries, service sector; Industrial sector - performance and constraints; The role of industry in the changing scenario; Nepal's foreign trade – structure and issues in Nepal.

Unit V: Political Environment **5 hours**
Significance of political environment for business; Nepalese political system and its important players (political parties); Government and constitutional bodies; Role of government in business; Basic issues in business-government relations; Risk assessment of political environment particularly with reference to business sector; Issues in Nepalese political environment.

Unit VI: Regulatory Environment **7 hours**
Concept and features of Private Firm Registration Act; Partnership Act; Companies Act; Industrial Enterprise Act; Foreign Investment Act; Labor Act; Trade Union Act; Mines and Minerals Act; Intellectual property - Patent, Design, Copyright and Trade Mark Act; Consumer Protection Act and regulations.

Unit VII: Socio-Cultural Environment **4 hours**
Socio-cultural environment and its significance for business; Determinants of socio-cultural environment - religion, language, education, family structure and social organizations; An analysis of how socio-cultural environment affects the Nepalese business; Emerging socio-cultural changes and trends in Nepal.

Unit VIII: Environment, Energy and Technology **5 hours**
Business and technology; Human factors and technology; Status of technology adopted by the Nepalese business; Technology transfer issues; IT policy of Nepal; Impact of technological environment on the efficiency and competitiveness of Nepalese business; Energy situation in Nepal; Natural environment and energy management issues in Nepal.

Unit IX: Global Environment **6 hours**
Concept of globalization; Nature and types of globalization; Regional economic groupings of nations - SAPTA, SAFTA, and BIMSTEC - their impacts on the Nepalese business; Foreign Direct Investment in Nepal; World Trade Organization (WTO) – Nepal's membership - opportunities and threats for the Nepalese business.

Basic Texts

1. Pant, P. R. *Fundamentals of Business Environment in Nepal*. Kathmandu: Buddha Academic Enterprises.
2. Agrawal, G. R. *Dynamics of Business Environment in Nepal*. Kathmandu: M. K. Publishers.

References

1. Aswasthappa, K. *Business Environment for Strategic Management*. Mumbai: Himalaya Publishing House.
2. Wetherly, P., & Dorron, O. *The Business Environment: Themes and Issues*. New Delhi: Oxford University Press.
3. Ghosh, B. N. *Business Environment*. New Delhi: Oxford University Press.
4. Paul, J. *Business Environment: Text and Cases*. New Delhi: Tata McGraw Hill.

MGT 412 Strategic Management **BBA BI, 8th Semester**

Course Objectives

This course aims to familiarize students with the basic concepts of strategic management and enable them to formulate, implement, and evaluate strategies for businesses. The course also aims to develop comprehensive and integrated view of business. The ultimate objective is to develop skill of practical and integrated application of different fields of management in order to make strategic decisions.

Course Description

Starting from the establishment of a company's direction by preparing mission statement and vision, this course will proceed to the identification of opportunities and threats emerging from the external environment and assessment of strengths and weaknesses arising from the internal environmental forces. Development of tools needed to match opportunities and threats with strengths and weaknesses will be the next step. Concepts of removing possible hurdles in the implementation of strategy will be followed by the discussion on the implementation of strategy. Finally, issues related to strategic evaluation and control will be discussed.

Course Outcomes

Upon completion of this course, students should be able to:

- Establish and evaluate mission statement, long term objective, vision, and short term plan for the business;
- Analyze the external and internal environment and identify opportunities, threats, strengths, and weaknesses of the firm and thereby formulate appropriate strategies for business;
- Plan pre-implementation and implementation phase; and
- Monitor and evaluate implemented strategies.

Course Contents

Unit I: Introduction **4 hours**

Meaning of strategy and strategic management; Strategic Management Model; Characteristics of strategic management; Formality in strategic management.

Unit II: Company Direction **3 hours**

Mission and mission statement; Vision; Strategic intent; Strategic objective vs. Financial objective; Policies; Long term and short term objectives.

Unit III: External Environment Analysis **10 hours**

PEST analysis - political, legal, economic, socio-cultural, technological, ecological, and international environment analysis framework (individualism vs. collectivism, totalitarian system vs. democracy, common law vs. civil law system; Determinants of culture; State of technological stage; Impact of ecological and international factors); Industry and competitive analysis - Porter's five force model; Strategic group mapping; Monitoring competition.

Unit IV: Internal Analysis**5 hours**

Resource to competitive advantage pyramid; Internal analysis approaches - value chain; functional approach; and Resource based view (RBV); Benchmarking.

Unit V: Strategic Options and Choice Techniques**10 hours**

Porter's generic strategies: Cost leadership, Differentiation, Grand Strategies (concentration, market development, growth and expansion, product development, innovation, vertical and horizontal integration, concentric and conglomerate diversification, retrenchment/turnaround, divesture, liquidation, bankruptcy, joint venture, and strategic alliance); Corporate level analytical tools - BCG and GE nine cell matrices; Business level analytical tools - grand strategy selection matrix and grand strategy cluster.

Unit VII: Strategic Implementation**11 hours**

Concept and steps of strategy implementation, Operationalisation of strategies: Annual objectives; functional planning (Finance, Marketing, Human Resource, R&D, Production Operations, MIS and General Management); Communications, Guidelines and policies, Institutionalization: structure, types, matching structure with strategy; Resource allocation and budgeting and role of leadership in strategy implementation.

Unit VII: Strategic Evaluation and Control**5 hours**

Difference between strategic and operational control; Strategic control tools - premise control, strategic surveillance, implementation control, and special alert.

Basic Texts

1. Pearce, J. A., Robinson, R. B., & Mital, *Strategic Management: Formulation, Implementation, and Control*. New Delhi: Tata McGraw Hill.
2. Hitt, M. A., Ireland, R. D., Hoskisson, R. E., & Manikutty, S. *Strategic Management: A South-Asian Perspective*. New Delhi: Cengage Learning.

References

1. Dess, G. G., Lumpkin, G. T., & Eisner, A. B. *Strategic Management: Text and Cases*. New Delhi: Tata McGraw Hill.
2. Thomson, A., & Strickland, *Strategic Management*. New Delhi: Tata McGraw Hill.
3. Relevant journal articles and cases.

FIN 337 International Banking and Insurance **BBA BI, 8th Semester**

Course Objectives

The course aims to expose students with the fundamentals of international banking and insurance. It will also familiarize students with the tools and methods used in international banking and insurance business.

Course Description

This course provides an understanding of the nature of international banking and insurance business. Specifically, the course covers the fundamental aspects of international banking – introduction to international banking, correspondent banking exchange rates, concepts and techniques of cross-country remittances. The course also provides an overview of global insurance market, global risk and reinsurance, and international insurance forum.

Course Outcomes

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

- understand the evolution of international banking;
- handle correspondent banking activities;
- determine foreign exchange rate and execute foreign exchange transaction;
- understand different concepts used in international remittance and select appropriate means of international remittance;
- identify global market opportunities of insurance business;
- explain the role of reinsurance in mitigating the risk; and
- appreciate the role of international associations in the promotion of insurance business.

Course Contents

Unit I: International Banking **5 hours**
Introduction to international banking; the scope of international banking activities; service offered by international banks; regulation of foreign banking activities; and the future of international banking.

Unit II: Correspondent Banking **5 hours**
Fund transfer; handling correspondent banking; message authentication; correspondent banking business model; relationship banking; meeting the correspondent business; credit line; ethical practice; and Vostro account operation.

Unit III: Basics of Exchange Rates **5 hours**
Exchange rate; causes of rate fluctuation; factors affecting the exchange rate; predicting rate trends; exchange rate, cross rate; quotation rate; swaps; and outright forward deals.

Unit IV: International Remittances **10 hours**
Introduction to international remittances; instruments of payment; inland versus foreign payment; options for international settlement; location of accounts; Nostro, Vostro, Loro and Mirror accounts; international settlement process; draft in international banking; cheque books from correspondents; TT remittance through Vostro accounts; TT through Nostro

accounts; funding Nostro accounts; maximizing exchange profit; remittance cash position and currency position.

Unit V: Overview of International Insurance **6 hours**

Evolution of international insurance market; cross border activities of insurance; issues in international insurance: ageing problems; and influence of international insurance in Nepalese insurance market.

Unit VI: Global Insurance Market **6 hours**

The status of insurance penetration and density of advanced economies, emerging economies and developing economies; catastrophic loss and its consequences on global insurance market; global insurance market: Lloyd's of London, the structure of different insurance products in international insurance market; and role of multinational insurance companies in Nepalese insurance market.

Unit VII: Global Risk and Reinsurance **5 hours**

Global risk and risk coping strategies of multinational reinsurance companies; presence of international reinsurance company in Nepalese insurance business; and, importance of international insurance companies on mitigating the risk.

Unit VIII: International Insurance Associations and Forum **6 hours**

Needs and importance of international association; the functions of International Association of Insurance Supervisors (IAIS); Association of Insurance and Reinsurance of Developing Country (AIRDC); Insurance Congress of Developing Countries (ICDC); South Asian Insurance Regulators Forum (SAIRF); Global Federation of Insurance Association; and the role of Geneva Association and SS Huebner Foundation in insurance sector.

References

1. Bose, R. *Fundamentals of international banking*, New Delhi: Macmillan India Ltd.
2. Rose, P. *Money and capital markets: financial institutions and instruments in global marketplace*. Chicago: McGraw-Hill International.
3. AON Plc. *Global insurance market opportunities*. London: AON Plc.
4. Publications of International Association of Insurance Supervisors (IAIS), www.iaisweb.org
5. Publications of Association of Insurance and Reinsurance of Developing Country (AIRDC), www.airdc.org
6. Publications of Global Federation of Insurance Association, www.gfiainsurance.org/
7. Publications of Lloyds of London, <https://www.lloyds.com/>
8. Publications of International Insurance Institute, www.insuranceinstitute.com/
9. Publications of The Institute for Global Insurance Education, www.igie.org/