

POKHARA UNIVERSITY

Level: Bachelor

Semester: Spring

Year: 2020

Programme: BBA-BI

Full Marks: 70

Course: Financial Institutions and Markets

Pass Marks: 31.5

Time: 2 hrs.

Candidates are required to answer in their own words as far as practicable. The figures in the margin indicate full marks.

Group 'A': Attempt all questions (5×10=50)

1. What is financial system? Explain briefly the economic and finance function of financial markets.

OR

Define open market operation. How does NRB use this tools to control money supply in the economy? Explain briefly.

2. Assume the following zero coupon bonds with face value of Rs. 1,000 that are available.

Bond	Current Price (Rs.)	Maturity Year
A	945	1
B	890	2
C	850	3
D	780	4
E	720	5

- a) Calculate the spot rate for each bond.
 - b) Calculate the 1 year forward rate starting in year 4.
 - c) Calculate the 2 year forward rate starting in year 2.
 - d) Calculate the 3 year forward rate starting in year 2.
3. Mr. Hira purchased 500 shares of Himalayan Bank Limited at current market price of Rs.500 per share. Initial margin and maintenance margin requirement are 40% and 25% respectively. The interest rate on margin loan is 10% per annum. The bank paid Rs.10 per share cash dividend during the year.
 - a) Prepare balance sheet of Mr. Hira at the time of purchase.
 - b) Calculate actual margin if the price of stock increases to Rs.540 or decreases to Rs.470 per share.
 - c) Suppose price of stock increases to Rs.540 per share after a year, prepare new balance sheet for Mr. Hira.
 - d) Assume that the price of stock increases to Rs.570 per share after one year. Calculate holding period return if Mr. Hira purchased the shares with margin.
 4. Three years ago Mr. Hari invested Rs. 100,000 in a portfolio of T-bills and kept all proceeds fully invested in the portfolio. Today portfolio of

Mr. Hari is worth Rs. 146,932.

- a) What nominal rate of interest did Mr. Hari earned over this period?
 - b) At the time of purchase, consumer's price index stood at 133, and today it is at 189. What was the average inflation rate over the period?
 - c) How much did Mr. Hari's purchasing power increase over this entire period?
 - d) What was Mr. Hari's real return on an annual basis?
5. Suppose a Life Insurance Company has 100000 policyholders who are each 40 years of age. Each policyholder has paid Rs. 1000000 for life insurance policy. The company has to set an annual premium rate to charge to these policyholders so that it will have sufficient cash to pay off the beneficiaries of any policyholders who die this year. Suppose the expected death rate for 40 years is 4 per 1000. The company's analysts estimated that it would earn average of 8 percent on its portfolio of investment in the coming year.
- a) Calculate the expected number of deaths per thousands.
 - b) How much the insurance company pays the claims for the expected deaths?
 - c) How much the company charge to the policyholders at the beginning of the policy period?
 - d) What would be the present value of expected claims?
 - e) What would be the gross premium if it costs Rs. 2600000 to service the insurance needs of 100000 policyholders?

Group 'B': Problem-solving/case studies (1×20=20)

6. The following are the information on the elements of core and supplementary capital of Sunrise Bank Ltd. (Rs. in millions)

Paid-up Capital	Rs.2000	Share premium	Rs.100
General Reserve	50	Capital redemption reserve	100
Capital adjustment fund	200	Retained earnings	100
Goodwill	50	Fictitious assets	20
Cumulative preference shares	500	Subordinated term loans	500
General loan loss provision	200	Exchange equalization reserves	100
Investment adjustment reserve	100	Assets revaluation reserve	200
Hybrid capital instruments	200		

The following are the balance sheet items and off-balance sheet items, and risk weighted corresponding items of Sunrise Bank Limited.

Balance sheet items	Amount (in millions)	Risk Weight
Cash balance	Rs.400	0
Government securities	1000	0
Claims on foreign government and NRB	400	50
Claims on domestic companies	15000	100
Staff loans and advance	100	60
Claims secured by residential properties	20000	60
LC commitment	1200	50
Bid bond	100	50
Advance payment guarantee	500	100

- a) What is the core capital?
- b) Determine supplementary capital?
- c) Compute the total capital.
- d) What is the on balance sheet risk weighted assets?
- e) What is the total off balance sheet asset?
- f) Calculate the core capital ratio.

POKHARA UNIVERSITY

Level: Bachelor

Semester: Spring

Year: 2020

Programme: BBA/BI/BHM/TT

Full Marks: 70

Course: Introduction to Management Information System

Pass Marks: 31.5

Time: 2 hrs.

Candidates are required to answer in their own words as far as practicable. The figures in the margin indicate full marks.

Group 'A': Attempt all questions (5×10=50)

1. Explain about the types of computers on the basis of working principle and speed/size. [5+5]

OR

- What is the role of Hospitality Information System? Explain characteristics of Hospitality Information System. Explain the role of Computer Reservation System in business. [2+3+5]
2. Why organization develop Information System? Explain the stages of System Development Life Cycle (SDLC). [3+7]
 3. What is Computer Network? Write its advantages. Explain any three types of Network Topologies. [2+2+6]
 4. Data is a very important component of MIS and it is stored in the form of Database. Describe the Database Management Approach in computer system and its advantages over the Traditional File System. Also, explain about Data Warehousing and Data Mining. [2+5+3]
 5. Customer relations and intimacy creates customer loyalty and retention in business. Such relations are maintained with the help of CRM. Explain about the life cycle of CRM, its advantages, reason for failure and trends. [3+3+2+2]

Group 'B': Problem-solving/case studies (20)

6. **Domino's Sizzles with Pizza Tracker**

When it comes to pizza, everyone has an opinion. Some of us think that our current pizza is just fine the way it is. Others have a favorite pizza joint that makes it like no one else. And many pizza lovers in America agreed up until recently that Domino's home-delivered pizza was among the worst. The home-delivery market for pizza chains in the United States is approximately \$15 billion per year. Domino's, which owns the largest home-delivery market share of any U.S. pizza chain, is finding ways to innovate by overhauling its in-store transaction processing systems and by providing other useful services to customers, such as its Pizza Tracker. And more important, Domino's is trying very hard to overcome its reputation

for poor quality by radically improving ingredients and freshness. Critics believe the company significantly improved the quality of its pizza and customer service in 2010. Domino's was founded in 1960 by Tom Monaghan and his brother James when they purchased a single pizza store in Ypsilanti, Michigan. The company slowly began to grow, and by 1978, Domino's had 200 stores. Today, the company is headquartered in Ann Arbor, Michigan, and operates almost 9,000 stores located in all 50 U.S. states and across the world in 60 international markets. In 2009, Domino's had \$1.5 billion in sales and earned \$80 million in profit. Domino's is part of a heated battle among prominent pizza chains, including Pizza Hut, Papa John's, and Little Caesar. Pizza Hut is the only chain larger than Domino's in the U.S., but each of the four has significant market share. Domino's also competes with local pizza stores throughout the U.S. To gain a competitive advantage Domino's needs to deliver excellent customer service, and most importantly, good pizza. But it also benefits from highly effective information systems. Domino's proprietary point-of-sale system, Pulse, is an important asset in maintaining consistent and efficient management functions in each of its restaurants. A point-of-sale system captures purchase and payment data at a physical location where goods or services are bought and sold using computers, automated cash registers, scanners, or other digital devices. In 2003, Domino's implemented Pulse in a large portion of its stores, and those stores reported improved customer service, reduced mistakes, and shorter training times. Since then, Pulse has become a staple of all Domino's franchises. Some of the functions Pulse performs at Domino's franchises are taking and customizing orders using a touch-screen interface, maintaining sales figures, and compiling customer information. Domino's prefers not to disclose the specific dollar amounts that it has saved from Pulse, but it's clear from industry analysts that the technology is working to cut costs and increase customer satisfaction. More recently, Domino's released a new hardware and software platform called Pulse Evolution, which is now in use in a majority of Domino's more than 5,000 U.S. branches. Pulse Evolution improves on the older technology in several ways. First, the older software used a 'thick-client' model, which required all machines using the software to be fully equipped personal computers running Windows. Pulse Evolution, on the other hand, uses 'thin-client' architecture in which networked workstations with little independent processing power collect data and send them over the Internet to powerful Lenovo PCs for processing. These workstations lack hard drives, fans, and other moving parts, making them less expensive and easier to maintain. Also, Pulse Evolution is easier to update and more secure, since there's only one machine in the store which needs to be updated. Along with Pulse Evolution, Domino's rolled out its state-of-the-art online

ordering system, which includes Pizza Tracker. The system allows customers to watch a simulated photographic version of their pizza as they customize its size, sauces, and toppings. The image changes with each change a customer makes. Then, once customers place an order, they are able to view its progress online with Pizza Tracker. Pizza Tracker displays a horizontal bar that tracks an order's progress graphically. As a Domino's store completes each step of the order fulfillment process, a section of the bar becomes red. Even customers that place their orders via telephone can monitor their progress on the Web using Pizza Tracker at stores using Pulse Evolution. In 2010, Domino's introduced an online polling system to continuously upload information from local stores. As with most instances of organizational change of this magnitude, Domino's experienced some resistance. Domino's originally wanted its franchises to select Pulse to comply with its requirements for data security, but some franchises have resisted switching to Pulse and sought alternative systems. After Domino's tried to compel those franchises to use Pulse, the U.S. District Court for Minnesota sided with franchisees who claimed that Domino's could not force them to use this system. Now, Domino's continues to make improvements to Pulse in an effort to make it overwhelmingly appealing to all franchisees. Pizza Hut and Papa John's also have online ordering capability, but lack the Pizza Tracker and the simulated pizza features that Domino's has successfully implemented. Today, online orders account for almost 20 percent of all of Domino's orders, which is up from less than 15 percent in 2008. But the battle to sell pizza with technology rages on. Pizza Hut customers can now use their iPhones to place orders, and Papa John's customers can place orders by texting. With many billions of dollars at stake, all the large national pizza chains will be developing innovative new ways.

Answer the following questions:

- a) What kinds of systems are described in this case? Describe the inputs, processes, and outputs of these systems.
- b) How do these systems help Domino's improve its business performance?
- c) How did the online pizza ordering system improve the process of ordering a Domino's pizza?
- d) How effective are these systems in giving Domino's a competitive edge? Explain your answer.

POKHARA UNIVERSITY

Level: Bachelor

Semester: Spring

Year: 2020

Programme: BBA/BI/BHCM/TT/BCIS

Full Marks: 70

Course: Management of Human Resources

Pass Marks: 31.5

Time: 2 hrs.

Candidates are required to answer in their own words as far as practicable. The figures in the margin indicate full marks.

Group 'A': Attempt all questions (5×10=50)

1. Human resource management is far more challenging than physical resource management. Why do you think it is tough to manage human resources? What skills should managers have in order to properly manage human resources?

OR

Training is an investment rather than expenses. Justify the statement. As a human resource Manager what criteria and method would you follow for evaluating training effectiveness?

2. If you were responsible for hiring someone for your job state “which recruitment sources, would you consider, and also which you will avoid.” Explain with reason?
3. Work from home concept emerges in the Covid-19 pandemic situation. Explain the factors that affects on performance appraisal on employee motivation in this situation.
4. How can we create safe and healthy work environment? What employers should do to minimize liability in sexual harassment claims?
5. Compensation management is an integral part of human resource management which helps in motivating the employees and improving organizational effectiveness. In the light of the statement discuss the major determinant of compensation.

Group 'B': Problem-solving/case studies (20)

6. *Read the case situation given below and answer the questions that follow:*

Mary works in Hotel Mulberry, a three-star hotel in Kathmandu. The Hotel is quite renowned for its quality service. She has worked in front desk receptionist for seven years. Her performance was quite remarkable. Recently Mary was promoted to front desk supervisor. Now with the promotion she becomes in charge of ten front line receptionists. Nobody resented her promotion and staffs believes her as the best person available for the job. Employees cooperated with her.

Joya has joined as front office reception six months before. She has also joined evening MBA to complete her masters. She leaves the office 30 minutes before the duty every day without any approval from her line manager.

One Monday Mary noticed that Joya was leaving the reception desk before the duty, and reprimanded her in front of several staff members. Joya protested her, but, Mary did not hear her.

Mary started having problem at the front desk. Productivity has declined. Staffs are not willing and enthusiastic to perform jobs. Customer's complaints have mounted. Five front line reception, including Joya has started creating informal groups. They were persuaded other reception to slow down and disobey the instruction provided by Jyoti Bhatta.

Questions:

- 1) What are the major HR issues that can be found in the case? And recommend with possible solutions to the identified issues?
- 2) As a HR Manager, what disciplinary actions would you have taken against Joya and If you would have been Mary. How would you have handled the situation?

POKHARA UNIVERSITY

Level: Bachelor

Semester: Spring

Year: 2020

Programme: BBA/BI/BCIS/BHCM/TT

Full Marks: 70

Course: Principles of Marketing

Pass Marks: 31.5

Time: 2 hrs.

Candidates are required to answer in their own words as far as practicable. The figures in the margin indicate full marks.

Group 'A': Attempt all questions (5×10=50)

1. 'Marketing mix elements are the fundamental understanding for any marketer.' Describe it with suitable examples.

OR

- 'Today's customers want much more than just a product or service.' In this regard, how does an effective marketing communication help the marketers to promote and persuade customers to buy their products/services?
2. 'Although, a company's microenvironment mostly focus on internal environment of the organization and efficiency but the essence of macro- environmental forces is even more important to compete in dynamic markets.' Elaborate this statement explaining the macro-environmental forces and its impact in marketing.
 3. "The company manufactures products and it is a consumer who makes the products as brands". Illustrate this statement with reference to branding strategies companies need to pursue in order to create product as a brand.
 4. Suppose you are hired by a company as an expert who would suggest them on how they need to promote their brand by offering new and innovative product as much as possible frequently (Not killing their vintage product). With this regard, how would you explain them on what new product development means and why new product sometimes fail in the market?
 5. 'Selecting supply chain by any company is a difficult task because companies must treat well to generate value chain efficiency and succeed.' Do you think an effective multiple supply chain help to capture market and avoid certain level of competition? Describe it with examples.

Group 'B': Problem-solving/case studies

6. *Read the case situation given below and answer the questions that follow:*

Coffee 2016

Andrea Illy is CEO of the global premium coffee company that bears

his family's name. As one might expect, he is passionate about coffee – its science, its health benefits, its taste, its beauty. Illy also has a dream that someday soon the coffee market might be transformed into something approaching the market for wine. Where connoisseurs discuss the fine points of various origin coffees and blends, where customers are willing to pay a premium for the finest examples of the coffee-making art, and where the growers, roasters and baristas will be compensated fairly for the expertise they contribute to every cup.

Unfortunately, the current coffee market differs from such an ideal. Coffee growers in most parts of the globe work at a barely subsistence level. One bad harvest (made all the more likely by the ravages of climate change) or a sudden decline in the commodity price of coffee can drop them below subsistence to hunger. Even in good times, growers have little incentive to improve their operation – they have minor contact with the roasters or customers and no knowledge of how their crops get translated into the cup. This disadvantages not only the grower but also the consumer – coffee sourced from good quality beans is hard to find.

Illy believes that the solution to the sad state of affairs is to initiate a “virtuous circle” that draws the grower, the roaster, the barista and customer together. Growers with better knowledge of the market will work to improve their crops or experiment with new varieties. Roasters and preparers will educate their customers as to the qualities of various beans, roasts and preparations. Customers, in turn, will be willing to pay more for the best beans and that premium will be sent back up the chain to pay for even more quality and variety. And so on.

Certainly there have been some positive signs. Indeed, many observers argued that a “third-wave” of transformation in the coffee market was already starting. (The first wave is said to have occurred when Maxwell House and Folgers made coffee a mass commodity, the second wave when Starbucks initiated a move to quality and higher prices.) Specialty coffee roasters had worked to build cafes and brands around origin-based beans sold directly to the roasters without reference to the commodity prices of coffee. With these third-wave roasters, every coffee came with a story of its origins and growers could count on occasionally eye-popping premiums for their beans.

As yet, specialty coffee represented a small sliver of the overall market and there were other signs that it might not ever grow beyond a small circle. New trends like coffee-based drinks and single-portion coffee in pods (e.g. K-cups, Nespresso) actually shifted more of the value-added towards roasters without a premium for growers. A consolidation was taking place among mass roasters that was even sweeping-up third-

wave roasters in its wake. Observers argued that could lead to greater uniformity with even less emphasis on origin-based, direct-traded coffee.

Illy's hope is that someone would come up with an innovation that would solidify the beginnings of the third wave and help reshape the market. Such a change would not necessarily have to involve Illy caffè; Andrea Illy believes as the world's premium brand, an increased emphasis on quality in the market would only help his company. The most important thing was to make the coffee supply chain more equitable and coffee better-tasting.

Questions:

- a) What's stopping Illy's dream that someday soon the coffee market might be transformed into something approaching the market for wine? [10]
- b) Is the "third wave" enough for the successful marketing of coffee or a "fourth wave" is needed? Explain your answer with the appropriate reasons. [10]