POKHARA UNIVERSITY

Level: Bachelor Semester: Spring Year: 2020
Programme: BBA/BI/BCIS/TT Full Marks: 70
Course: Fundamentals of Operations Management 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. The disruption on manufacturing caused by COVID-19 has severe operational, social and financial consequences. It is forcing manufacturers to rethink risk management and contingency plans, workforce safety protocols, manufacturing operations and new ways of working opportunities. In this given context, how have the role of operation manger have been changed? Explain with considering the current ongoing issues and trend of operation system in Nepal.

2. An electronic company produces light bulbs the following data on the number of lumens for 40-watt light bulbs were collected when process was in control.

Sample Number	1	2	3	4
1	604	612	588	600
2	597	601	607	603
3	581	570	585	592
4	620	605	595	588
5	590	614	608	604

   a) Calculate the control limit for a Range-chart and Mean-Chart.
   b) Since these data were collect, some new employees were hired. A new sample obtained the following reading: 570,601,623,583. Is the process still in control?

3. Following discount offer is given for a product.

   Cost per unit=Rs.5
   Ordering cost per order=Rs.49
   Carrying cost per year=20%
   Annual demand=5000 units per year

Order quantity (in units)	Discount%
Up to 999	0
1000-2499	10
2500 -4000	20
4000 or more	25

Find the most economic lot size.

4. The following set of six jobs is to be processed through two work centres first denting and then painting. Processing time at each of the work centres is shown in the following table.

Work time for jobs (hrs.)		
Job	Painting	Denting
A	6	12
B	3	7
C	18	9
D	15	14
E	16	8
F	10	15

Required:
   a) What is the optimal sequence for these jobs to be scheduled?
   b) Chart these jobs through the two work centers.
   c) What is the total length of time of this optimal solution?
   d) What is the idle time?

5. Explain the concept of bills of material and Prepare the product structure tree from the following given information;

Product A is made of two units of B and three units of C. B is made of two units of D and four units of E. D is made of one unit of E and three unit of F. C is made of two units of F and four units of R. If 100A are required, how many units of each component are needed?

OR

Explain the assumptions of JIT system. Is it possible to implement in country like Nepal? Explain with considering the current operational environment in Nepal.

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

Dairy development corporation, Nepal is a public enterprise which collects milk, produces dairy product and distributes them to the customers. DDC products are operated from 8 different branches including Kathmandu, Biratnagar, Butwal, Dhangadhi and other major cities in the nation. These operation centers work collaboratively with other cooperatives, known as "Milk producer Co-operatives Society (MPCS) to collect process and distribute the milk products.

In Nepalese context, milk framers are scattered in northern hilly areas and doing their business in unprofessional way. Most of them have taken livestock farming as their side job; as a result, milk production is very low. Whatever is the milk production, first they try to sell in the nearer market instead of dairy cooperative or MPCS because they get better price from local consumers as compared to dairy cooperatives and they also save transportation cost. Here, pricing is the main de motivational factor to the farmer which forces them to sell in local market not to dairy cooperatives as a result DDC has failed to get sufficient quantity of milk from farmer to meet its requirement. Moreover, many MPCS's and farmers are not following the contract while delivering the milk to DDC and they show opportunistic behavior, favoring the competitor's higher price. Sometimes DDC faces some problems in collection of milk to fulfill the increasing demand due to the lack of strategic supply chain management. Dairy faces two types of seasonal challenges one is lean season (when milk production is low but demand is high and another is flush season (August-March) when milk production is high compared to lean season. In lean season DDC is not getting sufficient milk from the dairy cooperatives where as in flush season DDC does not buy all the milk as supplied by the cooperatives.

Questions:

a) By studying the issue presented in the case, identify the problems of DDC related with operation psystem. [6]

b) What ideas do you suggest to DDC to make their supply chain more effective? [7]

c) How should DDC be able to cope the lean season without losing its regular customer? [7]

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Level: Bachelor   Semester: Spring   Year: 2020
Programme: BBA-BI   Full Marks: 70
Course: Property and Liability Insurance   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. Highlight the evolution of general insurance market in Nepal and also state the milestone events, growth, and present status of the nonlife insurance market.

OR

Discuss the importance of Professional indemnity policy and also elaborate current practices of professional indemnity policy in Nepal.

2. Third-party motor liability insurance is mandatory but, comprehensive motor insurance is voluntary yet. In your opinion is it necessary to be the comprehensive motor insurance compulsory? How all owners of vehicles will be ready to buy the comprehensive insurance and both of the policies can be implemented effectively? Make a plan and submit to the regulator.

3. Most of the customers are not satisfied with the current claim settlement practices of nonlife insurers. Discuss the deviation between the legal provisions of claim settlements and practices. Also provide the suggestion to insurers for the easier and simplest a claim settlement.

4. Nepal is a developing country where infrastructure development and construction works are massively going on. In this light, the market of the engineering and contractors' all risk (CAR) insurance is increasing aggressively. But, in the reality is different as figure shows that the share of the CAR is less than 10% out of total nonlife insurance market. How the policy can be made more popular and increase the share in insurance market? Suggest to government and regulator so that the share of the CAR insurance can be increased.

5. The access of the property insurance is to limited population since large number of people are living in village and remote area. More than 20% of the population is living below the poverty line. In this context, present your plan to extend the services of the property insurance to large number of people, poor, marginalized and living in villages and remote places.

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

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

Evidence shows that demand for microinsurance is high and there is a willingness to pay. In some countries, people are particularly interested in insurance that is coupled with asset building. In Indonesia, for example, the first priority is an insured savings product for education, with payouts made as needed to cover selected school fees.

With microinsurance consumers increasingly discerning and heterogeneous, there is a need for premium payments to be structured in ways that make sense to the policyholders. Insurance providers would do well to match the premium payments to the cash flow of low-income households. In this respect, informal mechanisms have proven more responsive to client needs than many current microinsurance providers. For example, in Albania, Opportunity International found that an existing insurance product failed not because the terms and pricing were unacceptable, but because the premium had to be paid in advance. The up-front payment requirements were not in line with the potential policyholders' cash flow. So what is the capacity to pay? This is difficult to determine. As Matul and Tounitsky (2006) have noted, this is not only a function of income levels but also very subjective. The level of financial literacy strongly influences what people think they can afford; client education on the insurance product influences what people think they are getting for the price.

Questions:
   a) Who are the target customers of microinsurance product?
   b) What are the factors that determine the demand of microinsurance?
   c) Describe the failure of the microinsurance in some countries.
   d) What is the provisions and status of the microinsurance in Nepal?

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Level: Bachelor Semester: Spring Year: 2020
Programme: BBA-BI Full Marks: 70
Course: Treasury Management 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. Treasury managers are required to deal with a range of people from group external to the organization. Identify each of these groups and explain why treasury active relationship with these groups.

OR

The market in banking industry has been changing every day. What do you feel are the biggest challenges within the role of Treasury Management? Explain your view.

2. Banking payment system as on date has been changed and reached very far, however despite of technology change there are still some risk and problem face by financial institution. Please highlight the statement in context of Nepal.

3. Pokhara Bank Limited is a Commercial Bank in Nepal with proactive management team. Considering the low interest rate in the market at the moment in the market on investment instruments, the Bank Management feels this is not the right time to invest in securities having a tenor of more than one year. As a Treasury Manager, briefly explain the instruments in Nepal that the Bank can invest in.

4. Keeping surplus cash is loss for bank, thus BFIs usually manage and hold cash and highly liquid assets. Explain the statement from the perspective of investment strategies.

5. For every BFIs Asset- liability management helps to mitigate financial risks resulting from a mismatch of assets and liabilities. Explain the strategies that has been fulfilling in Nepalese banking sector.

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

6. Nepal Investment Bank Limited (NIBL) is one of the biggest Bank of the country with wide network and wide range of products and services. The Bank has a paid-up capital of NPR 16 billion and a core capital of NPR 20 billion as on FY end 2077/78. NIBL has good amount of FCY (Foreign Currency) assets in the form of FCY Loans/Investment and FCY liabilities in the form of deposits/borrowings. NIBL receives the largest remittance inward in Foreign Currency in Nepal, in various foreign currencies like

USD, EURO, JPY, CAD. The Bank also has large customer base importing goods from different parts of the world in various currencies.

The Bank has substantial trade business volume with good amount of purchase and sell of foreign currencies on a daily basis to facilitate the customer's requirement. The Bank also takes speculative positions to generate profit from trading in the Foreign Currency Market. The Bank's Foreign Exchange Income has been contributing a great deal in its total profit.

You have been working as a forex dealer in NIBL for quite some time now.

Questions:
  a) What are the sources of foreign exchange risk for NIBL? [4]
  b) How can you manage the foreign exchange risk such that NIBL doesn't suffer loss due to volatility in exchange rate? [5]
  c) Briefly explain the factors affecting exchange Rate. [7]
  d) What product do you suggest to importers who want to hedge exchange rate risk? [4]