

# POKHARA UNIVERSITY

Level: Bachelor

Semester: Fall

Year: 2024

Programme: BBA/BBA-BI

Full Marks: 100

Course: Basics of Managerial Accounting

Pass Marks: 45

Time: 3 hrs.

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

## Section “A”

### Very Short Answer Questions

Attempt all the questions. [10×2]

1. How does managerial accounting differ from financial accounting?
2. What is cost driver? Give any two examples.
3. What is the major disadvantage of the high low method?
4. What is meant by margin of safety?
5. Show the cost-volume-profit relationship in graph.
6. Write any two characteristics of managerial Accounting.
7. A company has fixed manufacturing overhead is Rs. 120,000. Normal capacity is 10,000 hours and one unit of output can be produced in half hours. Calculate fixed manufacturing overhead per unit.
8. One unit of output requires 5 kg of raw material at rate Rs.15 per kg. Actual output 5,000 units and actual raw material used 24,500 kg at the rate of Rs.15.5. Calculate material usages variance.
9. ABC company produces Product X, which generates sales of Rs 150,000 and has variable costs of Rs 90,000. The fixed costs allocated to Product X are Rs 70,000. If discontinuing Product X would save Rs 50,000 of fixed costs, should the company continue or discontinue the product?
10. If Fixed cost is Rs 50,000, Contribution margin ratio is 40%, Target profit is Rs 20,000. What is the required sales revenue to achieve the target profit?

## Section “B”

### Descriptive Answer Questions

Attempt **any six** questions. [6×10]

11. “Management accounting provides economic information to facilitate the management process of planning, decision making and control “Explain and illustrate this statement.
12. Aquafina produces mineral water to supply in Kathmandu valley. Company has currently produced 8,000 bottles and cost per bottle is given below.

Direct material	Rs.12,000	Rs.1.50
Direct labor	16,000	2
Variable manufacturing overhead	2,000	0.25
Fixed manufacturing overhead	24,000	3
Variable selling and administrative	10,000	1.25
Fixed selling and administrative	16,000	2

Normal capacity of company is 10,000 bottles per month and normal selling price is Rs.15. An order has been received from customer for 2,000 units at a price of Rs.10 per unit. This order would not affect regular sales.

**Required:**

- If the order is accepted, by how much will monthly profit increase or decrease? (The order would not change the company' total fixed costs) [6]
- If company has received an offer 3,000 bottles, by how much will monthly profits increase of decrease? And calculate opportunity cost if any. [4]

13. Green Leaf Manufacturing Company (GLM) has provided following information for 2023. The regular selling price per unit is Rs 40.

Production units	54,000 units
Sales units	50,000 units
Budgeted capacity	60,000 units
Direct material	Rs.378,000
Direct labor	648,000
Variable manufacturing overhead	162,000
Variable selling expenses	100,000
Fixed overhead:	
Depreciation of office equipment	Rs.40,000
Rent of factory buildings	120,000
Inspection costs	50,000
Repairs and maintenance expenses	30,000
Interest on loan	20,000
Salary of office employees	30,000
Advertising expenses	10,000

**Required:**

- Prepare income statement under variable costing. [6]
- Prepare reconciliation statement [2]
- Why do variable costing and absorption costing show different amount of profit? Explain. [2]

14. Hotel Kathmandu has 50 rooms which monthly fixed costs of Rs.450,000. Average room rent Rs.3,000 per day and average variable costs of Rs.1,800. Assumed 30 days are in a month.

**Required:**

- Calculate breakeven rooms per month. [2]
- How many rooms are must be rented to earn before tax profit of Rs.900,000. [2]
- Suppose, hotel has other income per month of Rs.120,000 and average occupancy rooms are 70% per day, what is the average price to be charged to earn before tax of Rs.720,000. [3]

d. If average room accompany rate is 80% instead of 70%, what is price to be charged according to requirement (c). [3]

15. The following information is available from books of Moonlight Manufacturing Company.

Production	3,000 units	5,000 units
Indirect material	Rs.1,500	Rs.2,500
Indirect labor	2,250	3,750
Supervision	4,750	5,250
Heat, light and power	4,500	5,500
Rent of factory building	8,000	8,000
Depreciation expenses	5,000	5,000

Additional information:

Normal capacity	: 10,000 hours
One unit of finished goods needs	: 2 direct labor hour
Actual output	: 4,800 units
Actual hours worked	: 9,500 direct labor hours
Actual overhead incurred	: Rs.28,550

**Required:**

a. Prepare budget for 3,500 and 4,500 units. [6]

b. Calculate any two overhead variances. [4]

16. Currently the Manufacturing Company produces a component which is used in the main product in-house. However, the firm is now contemplating the idea of outsourcing the production of the said component to some other firm.

Cost information for internal production are as follow us:

- Direct Materials: Rs. 10 per unit
- Direct Labor: Rs. 8 per unit
- Variable Manufacturing Overhead: Rs.5 per unit
- Fixed Manufacturing Overhead: Rs.3 per unit (allocated based on production volume)
- Fixed Manufacturing Overhead allocated to the component is Rs. 12,000 per month.

**Supplier's Offer:**

The external supplier proposes to produce the component at a cost of Rs 24 per unit.

**Additional Information:**

- Current volume of production as well as the sales of the main product is standing at 5000 units every month.
- If the firms or components were outsourced all other direct fixed manufacturing overheads will not be affected.

**Required:**

- Prepare an analysis to determine whether Company should make or buy the component. [5]
- Calculate the financial advantages or disadvantages of outsourcing. [3]
- Discuss any qualitative factors that the Company should consider before making a final decision. [2]

17. What is responsibility accounting? Discuss any three types of responsibility center with suitable examples. [4+6]

**Section "C"****Case Analysis**

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

Butwal Enterprises sells different kinds of electronic goods in Butwal. The following information is available from books of company.

**Butwal Enterprises****Balance sheet as on December 31**

<b>Liabilities and Capital Stock</b>	<b>Amount (Rs.)</b>	<b>Assets</b>	<b>Amount (Rs.)</b>
Capital stock	500,000	Machine (net)	450,000
Retained earnings	229,000	Inventory	300,000
Accounts payable	300,000	Accounts receivable	304,000
Tax payable (Due in March)	50,000	Cash	25,000
<b>Total Liabilities and Capital Stock</b>	<b>10,79,000</b>	<b>Total Assets</b>	<b>10,79,000</b>

Actual and budgeted sales revenues are as follow:

<b>Months</b>	<b>Sales revenue (Rs.)</b>	<b>Months</b>	<b>Sales revenue (Rs.)</b>
November (Actual)	200,000	January (Budgeted)	500,000
December (Actual)	300,000	February (Budgeted)	700,000
		March (Budgeted)	900,000
		April (Budgeted)	800,000

Gross margin will be 40% of sale revenue. Company will sell 20% of goods on cash basis and remaining on credit. Out of credit sales, 60% will collect next month of sales and the rest in the next two month of sales. Company maintains sufficient inventory for next month of cost of goods sold. Operating expense and depreciation expense will be Rs.50,000 and Rs.10,000 per month respectively. Company will maintain minimum cash balance of Rs.30,000 per month.

All purchases are credit purchase and creditors are paid following month of purchase. All other expenses are paid when they became due. Company is planning to buy another machine of Rs.80,000 in the month of January. All

short terms borrowings are received and paid in multiple of Rs.10,000 at 12% p.a. Interest is paid to extent of refund of principal.

**Required:**

- a. Prepare merchandise purchase budget for three month ending March. [4]
- b. Prepare cash budget for the three months ending March. [10]
- c. Prepare budgeted income statement for the three months ending March. [3]
- d. Prepare budgeted balance sheet as on ending March. [3]

# POKHARA UNIVERSITY

Level: Bachelor

Semester: Fall

Year: 2024

Programme: BBA/BBA-BI/BBA-TT/BCIS/BHCM/BHM

Full Marks: 100

Course: Business Research Methods

Pass Marks: 45

Time: 3 hrs.

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

## Section “A”

### Very Short Answer Questions

Attempt all the questions. [10×2]

1. What are the major differences of fundamentals and applied research?
2. List out the ethical consideration in research.
3. Write the research process.
4. Give two reasons, why the conceptual framework is essential?
5. Briefly describe purposes of literature review.
6. State five features of a good hypothesis.
7. Mention different types of probability and non-probability sampling methods.
8. Define validity and reliability in the research.
9. Give the condition that Focus Group Discussion approach is used to collect the data.
10. Differentiate between non parametric and parametric test.

## Section “B”

### Descriptive Answer Questions

Attempt **any six** questions. [6×10]

11. Explain the characteristics of scientific research.
12. “Literature review is foundation of scientific research. Without the literature review we cannot get the research issue” Explain this statement.
13. Prepare structured questionnaire representing nominal, ordinal, interval and ratio scale for the study on “Customers satisfaction on online banking among the youth in Kathmandu valley: A cross-sectional study”. There should be at least four questions included of each scale.
14. What is research design? Briefly describe different types of research design. [2+8]
15. Suppose you are taking sample from students of BBA and BHM studying at semester 1<sup>st</sup>, 3<sup>rd</sup> and 5<sup>th</sup> in your university. Explain, how do you apply systematic and stratified random sampling method. [5+5]

16. Select a research topic of your interest and write the following part of research proposal:
  - a. Population [2]
  - b. Sample size [2]
  - c. Sampling method [2]
  - d. Data collection plan [2]
  - e. Data analysis plan [2]
17. Prepare a complete format of research report. Give six qualities of a good report. [7+3]

**Section "C"**  
**Case Analysis**

18. *Read the case situation given below and answer the questions that follow:* [20]

The rapid advancement of digital banking services, such as mobile banking apps and internet banking, has transformed financial transactions. While younger generations have widely adopted these services, older adults often exhibit mixed responses toward digital banking. Some find it convenient, while others struggle with technology adoption, security concerns, or a preference for traditional banking.

Banks are now focusing on financial inclusion and encouraging all age groups to adopt digital banking. However, understanding the perception of senior citizens (aged 60 and above) toward online and mobile banking is crucial for banks, policymakers, and researchers to improve user-friendliness and accessibility.

**Questions:**

- a. Suppose you are doing a study on "Perception of old age customers towards mobile banking", prepare the four objectives. [5]
- b. To support your objectives, frame 4 research questions. [5]
- c. Construct a conceptual framework. List out the dependent and independent variables. [2+3]
- d. Write population, sample size and sampling method to meet your research objectives. [2+1+2]

# POKHARA UNIVERSITY

Level: Bachelor

Semester: Fall

Year: 2024

Programme: BBA/BBA-BI/BBA-TT/BCIS

Full Marks: 100

Course: Data Analysis and Modeling

Pass Marks: 45

Time: 3 hrs.

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

## Section "A"

### Very Short Answer Questions

Attempt all the questions. [10×2]

1. Define correlation along with its properties.
2. For a set of data, the total variation or sum of squares for y is  $SST=145$ , and the error sum of squares is  $SSE=45$ . What proportion of the variation in y is explained by the regression equation?
3. What is the cost of living index number? What does it measure?
4. What are the forecasting techniques in time series analysis? How do you measure forecast error?
5. Find the active and inactive constraints in the following LPP;

$$\text{Maximize } Z = 9x + 7y$$

$$\text{Subject to } 2x + y \leq 40, x + 3y \leq 30, x \geq 0, y \geq 0.$$

$$\text{where } \max z = 750 \text{ at } x = 18 \text{ and } y = 4$$

6. Define the unbalanced assignment problem. Why it is necessary to make such problem balanced?
7. Differentiate between Seasonal and Irregular variation in time series analysis.
8. Draw a network diagram for the following activities of a project.

Activity	A	B	C	D	E	F
Name of activity	-	A	A	B	C	B,E

9. Demand for a certain commodity was 300 units in June, 60 units in July and 160 units in August. The forecast for June was 110 units with a smoothing constant of 0.30, what will be the September forecast?
10. Set up 99% confidence interval estimate of the population slope of  $\beta_1$  if  $n=25$ ,  $b_1=5$ ,  $b_2=10$ ,  $S_{b1}=2$ ,  $S_{b2}=8$ . Consider that there are two independent variables in the given problem.

## Section "B"

### Descriptive Answer Questions

Attempt **any six** questions. [6×10]

11. Career airlines pilots face the risk of progressive hearing loss, due to the noisy cockpits of most of jet aircrafts. Much of these noise comes not from the engines but from air roar, which increases at high speeds. To assets this

workplace hazard, a pilot measured cockpit noise level(in decibels) and airspeed (knots indicated air speed, KIAS). The data are shown in the given table:

Speed	250	340	320	330	346	260	280	395	380	400
Noise level	83	89	88	89	92	85	84	92	93	96

- Determine the correlation coefficient between noise level and air roar which is increased due to the high speeds. What can you comment on the strength of association?
- Develop a least square regression model to estimate the noise level with the help of speed of aircraft. Also interpret the coefficients of the fitted regression model.
- Obtain the standard error of estimate.

12. For the following data prove the Fisher's Ideal Index satisfies both Time Reversal Test and the Factor Reversal Test and calculate its value.

Commodity	Base Year		Current Year	
	Price	Quantity	Price	Quantity
A	6	50	10	56
B	2	100	2	120
C	4	60	6	60
D	10	30	12	24

13. The department of Agriculture publishes statistics on the production figures on broccoli from 2016 to 2021.

Year	2016	2017	2018	2019	2020	2021
Broccoli (million pounds)	132.5	164.8	141.2	133.8	138.4	150.9

- Develop a linear trend equation for this data and interpret the slope of this trend equation.
- Compute percent of trend and relative cyclical residual for the broccoli production over time.
- Plot the percent of trend and interpret its value obtain for the year 2020.

14. Find the optimal transportation schedule on the basis of the following information:

Factory	Stores ( Haulage cost in Rs.)				Availability
	S <sub>1</sub>	S <sub>2</sub>	S <sub>3</sub>	S <sub>4</sub>	
F <sub>1</sub>	9	7	10	8	14
F <sub>2</sub>	8	11	9	11	27
F <sub>3</sub>	13	10	12	10	14
Requirement	15	19	11	10	55

15. A retail store wishes to purchase a number of mobile phone cases and screen protector glass. He has only Rs. 5760 to invest and space for at most 30 items. A mobile phone case costs Rs. 360 and a screen protector glass

costs Rs. 240. His expectation is that he can sell a phone case at a profit of Rs. 22 and a screen protector glass at Rs. 18. Assuming that he can sell all items that he can buy.

- Formulate a LPP in such a way to maximize the profit.
- Use graphical method to solve the problem.

16. How is the time series data different from cross sectional data? Suppose the residuals for a set of data collected over 15 consecutive time periods are as follows:

Time	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Residual	+4	-6	-1	-5	+2	+5	-2	+7	+6	-3	+1	+3	0	-4	7

Compute Durbin Whatson statistic. Based on the plot and the value of Durbin Whatson statistic can we conclude that there is evidence of positive autocorrelation among the residuals?

17. Following tables list the activity of a project along with their time estimates.

Activity	Predecessor	Duration(in days)		
		Most likely( $t_m$ )	Optimistic( $t_o$ )	Pessimistic( $t_p$ )
A	-	5	4	6
B	-	12	8	16
C	A	5	4	12
D	B	3	1	5
E	D,A	2	2	2
F	B	6	4	8
G	C,E,F	14	10	18
H	G	20	18	34

The scheduled completion date for this project is 60 days. Draw the network diagram and find:

- The probability that the project will be finished within the scheduled date.
- If the project manager wants to be 99% sure that the project will be completed on the scheduled date is expected date, how many days before that date should be start the project work?

### Section "C"

#### Case Analysis

18. *Read the case situation given below and answer the questions that follow: [20]*  
A healthy research team collects data on ten communities. Measurements are obtained on the following variables:

$Y$  = health-care facility utilization index

$X_1$  = median family income

$X_2$  = proportion of workers with health insurance

$X_3$  = doctor population ratio

The ANOVA and Coefficient table obtained from SPSS software are as follows:

**ANOVA**

	Sum of Squares	df	Mean Square	F
Regression	?	3	?	
Residual	88.66	?	?	
Total	476.90	9		

**Coefficient Table**

	Unstandardized Coefficients		t
	Coefficient( $b_j$ )	Standard error ( $S_{bj}$ )	
Constant	23.60	8.30	?
$X_1$	0.62	0.39	?
$X_2$	16.97	7.86	?
$X_3$	-0.31	0.33	?

- Complete above ANOVA table and Coefficient table.
- Fit a multiple regression model and predict the value of Y when  $X_1=15$ ,  $X_2=22$ ,  $X_3=25$ .
- Is there any significant relationship between dependent and three independent variables? (Test the significance at 5% level).
- Test the significance of estimated regression coefficient of  $X_1$  at the 5% significance level.
- What proportion of variation is explained Y is explained by three independent variables.
- Compute the standard error of estimate and interpret its meaning.

# POKHARA UNIVERSITY

Level: Bachelor

Semester: Fall

Year: 2024

Programme: BBA/BBA-BI/BBA-TT

Full Marks: 100

Course: Essentials of Finance

Pass Marks: 45

Time: 3 hrs.

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

## Section “A”

### Very Short Answer Questions

Attempt all the questions. [10×2]

1. List the basic area of finance.
2. List out the depository financial institution in Nepal.
3. What is portfolio investment?
4. Differentiate between primary market and secondary market.
5. What are the factors affecting cost of capital?
6. Zebra's company has sales of Rs 32 million, total assets of Rs 43 million, and total debt of Rs 9 million. If profit margin is 7 percent, what is ROA? What is ROE?
7. A stock has a beta of 1.5, the expected return in the market is 14 percent, and the risk free rate is 5 percent. What must the expected return on this stock be?
8. What is compounding and future value?
9. Why preferred stock is called hybrid security? List any four features of preferred stock.
10. Consider a pure discount bond with a par value of Rs 1,000, selling for Rs 500, and having a maturity period of 5 years. What is the annualized rate of return an investor will earn if the bond is held to maturity?

## Section “B”

### Descriptive Answer Questions

Attempt **any six** questions. [6×10]

11. Compare between wealth maximization and profit maximization goals. Which goal would you like to recommend and why?
12. Dream Land Corporation has Rs. 5,00,000 of debt outstanding, and it pays an interest rate of 10 percent annually. Its annual sales are Rs. 2 million; its average tax rate is 20 percent; and its net profit margin on sales is 5 percent. If the company does not maintain a TIE ratio of at least 5 times, its bank will refuse to renew the loan and bankruptcy will result. What is Dream Land's TIE ratio? How much Dream Land Co. should increase its profit

margin to renew the loan?

13. Assume that the real risk free rate is 3.5 percent and default risk premium is zero. The nominal rate of interest on 1-year bond is 5 percent and that on comparable risk 2-year bond is 6 percent and a 3-year bond is 9 percent, which includes the maturity risk premium of 1.5 percent.

- Using the expectation theory, forecast the interest rate on a 1-year bond during the third year.
- What is the expected inflation rate in year one, two, and three?
- Comment on the cause why average interest rate is different from interest rate in year two and three.

14. Considered the probability distribution of alternatives rates of return associated with stock X and stock Y given in the following table.

State of economy	Probability	Stock X	Stock Y
1	0.50	10%	-10%
2	0.20	15	20
3	0.30	20	30

- Calculate the expected return and standard deviation of stock X and Stock B.
- What are the covariance and correlation coefficient between Stock X and stock Y.
- If you form a portfolio of stock X and stock Y comprising 60 percent wealth in stock X and the rest in stock Y, Calculate the risk and return your portfolio.
- Which investment would you prefer? Stock X or stock y or the portfolio? Why?

15. Assume that 1 year from now you plan to deposit Rs1,000 in a saving account that pays a nominal rate of 8 percent:

- If the bank compounds interest annually, how much will you have in your account 4 years from now?
- What would your balance be 4 years from now if the bank used quarterly compounding rather than annual compounding?
- Suppose you deposited the Rs 1,000 in 4 payments of Rs 250 each at the end of years 1, 2, 3, and 4. How much would you have in your account at the end of year 4, based on 8 percent annual compounding?
- Suppose you deposited 4 equal payments in your account at the end of years 1, 2, 3, and 4. Assuming an 8 percent interest rate, how large would each of your payments have to be for you to obtain the same ending balance as you calculated in part a?

16. a. National Development bond issued by Nepal government carries an annual coupon rate of 6.5 percent, has 10 years until maturity, and sell at an YTM of 7 percent, what price does the bond sell?

b. The Gandaki Herbal company has just paid a cash dividend of Rs 20 per share investors required a 15 percent if the dividend was expected to grow at 15 percent per year for the next three years and then settle down to 10 percent per year indefinitely, what would the stock sell for today?

17. Compute the component cost and weighted average cost of capital from the following information extracted from Brij Enterprises.

- Interest rate on debenture is 16 percent and marginal income tax rate is 30 percent.
- Rs. 100 preferred stocks, dividend of 18% and flotation cost is 2 percent.
- Common stock of Rs. 100 is netted at Rs. 98, expected dividend and growth rate are 12 percent and 7 percent respectively.
- The total capital of Rs. 10 million consists of Rs. 4 million common stocks, Rs. 4 million debentures and Rs. 2 million preferred stocks.

### Section "C"

#### Case Analysis

18. *Read the case situation given below and answer the questions that follow: [20]*

XYZ company is going to acquire a machine for its production department. The machine's basic price is Rs 10,00,000, and it would cost another Rs 50,000 to modify it for special use. Installation and transportation cost are Rs 75,000 Rs 25,000 respectively. Assume that the machine falls into MACRS 3 years class depreciation method. The machine would be sold after 5 years for Rs 50000 and it would require an increase in net working capital (spares parts inventory) of Rs 2,0000. The machine would have no effect on revenues, but it is expected to save the firm Rs 4,00,000 per year in before tax operating costs, mainly labor. The firm's marginal tax rate is 40 percent.

- What is the net cost of the machine?
- What are the operating cash flows in year 1 to 5?
- What are the additional (non operating) cash flows in year 5?
- If the cost of capital is 10 percent, what is net present value of the machine?
- Should the machine be purchased as per internal rate of return criteria?

# POKHARA UNIVERSITY

Level: Bachelor

Semester: Fall

Year: 2024

Programme: BBA-BI

Full Marks: 100

Course: Risk and Insurance Management

Pass Marks: 45

Time: 3 hrs.

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

## Section “A”

### Very Short Answer Questions

Attempt all the questions. [10×2]

1. Define Risk.
2. List out the risks faced by an individual and enterprises.
3. Differentiate the frequency of loss from severity of loss.
4. Why it is called that “insurers as Managers of Risk Pooling Arrangement”.
5. Sketch an organization structure and place the position of Risk Management Officer.
6. What is the meaning of cost of risk?
7. List out the factors that limits the insurability of the risk.
8. The process of claims settlement.
9. Define rate making in insurance.
10. Describe Reinsurance.

## Section “B”

### Descriptive Answer Questions

Attempt **any six** questions. [6×10]

11. Highlight the importance of Risk Management Officer in a large organization. Give appropriate example.
12. Discuss risk management strategies of organization with help of risk management matrix.
13. XYZ Construction Ltd. has two projects A and B. See the five years loss experience.

Year	Project A		Project B	
	No. of Accident	Total Loss (Rs. In Million)	No. of Accident	Total Loss (Rs. In Million)
2020	50	4	20	5
2021	35	5	22	8
2022	27	9	25	12
2023	12	11	28	13
2024	6	16	30	12
<b>Total</b>	130	45	125	50

Answer the following:

- Based on frequency of loss, which project is risker?
- Actually, which project experienced more risk? Why?
- Critically examine the risk Management strategies of both projects and suggest which project has a better risk management?

14. What is the objective of departmentalization in insurance company? Give roles of any three departments.

15. Prescribe the contractual provisions in insurance policy that limit insurance coverage.

16. There is huge fund accumulated in insurance companies that can be used for national development. Discuss the suitable sectors. Mention the constraints of investments faced by insurers.

17. Explain the investment directives for life insurance companies.

**Section “C”**  
**Case Analysis**

18. *Read the case situation given below and answer the questions that follow: [20]*

Everest Fruity Factory (EFF) was established in Birgunj, Bara with the investment of Rs.100 million in the year 2019. Its main objective is to use the local raw materials and manufacture Soft Drink named Everest Chiso Juice. After two years of its establishment, it started producing 12000 packets of Everest Chiso Juice per day. Before delivering it to the Dealer, it stored its Chiso Juice inside the factory. Since factory and finished products are both inside the factory, Mr. Suman Kumar Yadav, CEO of the company has shown some concern about the risks that could damage the factory and its raw materials and finished goods. So, he took the approval from the Board Meeting held in 12<sup>th</sup> March, 2022 and appointed Mr. Binod Bhandari

as a Risk Manager. CEO urged Risk Manager Mr. Bhandari to find out the risk and recommend suggestions for risk management.

**Questions:**

- a. Explain the risk management process that to be followed by Mr. Bhandari to identify the risks of the factory.
- b. In your opinion what are the risks associated with factory.
- c. List out the various risk to be faced by EFF in course of operation.
- d. Discuss the insurability of risk of EFF and suggest method(s) of transfer the risk.