

POKHARA UNIVERSITY

Level: Bachelor

Semester: Fall

Year: 2024

Programme: BBA-BI

Full Marks: 100

Course: Financial Institutions and Markets

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 financial markets.
2. Why central bank is known as banker of the banks?
3. The nominal rate of interest and inflation in a given year are 10 percent and 7.5 percent respectively. What is the real rate of return?
4. What is Eurodollars?
5. You have just purchased a three-month, Rs 500,000 negotiable CD, which will pay a 4 percent annual interest rate. Calculate amount of interest income and value of CD at the end of three month.
6. Enlist any four types of regulation in banking sector.
7. Distinguish between closed-end and open-end mutual fund.
8. The BR Fund, a closed-end investment company, has a portfolio of assets of Rs 1500 million. It has liabilities of Rs 5 million. It also has 160 million shares outstanding. Find the NAV of this Fund.
9. What are the primary functions of commercial bank?
10. What is sinking fund provision in bond contract?

Section “B”

Descriptive Answer Questions

Attempt **any six** questions. [6×10]

11. A well-functioning financial market can make an important contribution to economic growth and prosperity by mobilizing savings and directing them to the most productive uses. However, to understand financial markets comprehensively, you need to have a better understanding of their types and categories. On this background, explain the several types of financial markets and their trading mechanism.
12. What are the major monetary tools used by the central bank to influence the economy? How recent liquidity surplus problem can be solved by central bank?

13. Assume the rate of inflation is expected to be 6 percent in next year and it falls to 4 percent during the following year. Then it tends to remain at a rate of 4 percent thereafter. Assume that the real risk-free rate is 3 percent and that the maturity risk premium rises from zero on short-term securities by 0.1 percent each year to maturity but up to a limit of 1 percent. Calculate the interest rate on 2 years, 4 years, 6 years, 9 years and 10 years bonds.
14. A 91-days Treasury Bill of Rs. 100,000 face value has been issued by Nepal Rastra Bank at 5% discount yield. You want to buy that T-bills.
 - a. At what price you can purchase the bill?
 - b. What is the 91 days holding period return?
 - c. What is the bond equivalent yield of the bill?
 - d. What is the effective annual yield of the bill?
15. Ms. Rachana purchased 1,000 shares of NABIL bank limited at Rs. 695 per share under margin purchase with 40 percent initial margin requirement. The brokerage firm charge 10 percent on the loan. At the end of year one, NABIL paid Rs. 20 as cash dividend and price of stock increased to Rs. 790.

Required:

- a. Holding period return of Rachana.
 - b. Holding period return of Rachana if she purchased the shares on cash basis.
 - c. Why is the return under margin purchase higher than on cash basis?
 - d. If she sold short these shares of NABIL, what would be her position, gain or loss? (Give your answer without calculation)
16. Suppose a Life Insurance Company has 800,000 policyholders. Each of the policyholder has 35 years of age Each policyholder has been paid by Rs 2 million 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 35 years is 4 per thousand. The company's analysts estimated that it would earn an average of 7 percent return on its portfolio investment in coming year.
 - a. Calculate the mortality rate of 35 years aged policyholders.
 - b. How much the insurance company pays for the claim for the expected death?
 - c. How much the company charge to policyholders at the beginning of the policy period?
 - d. What would be present value of expected claims?
 - e. What would be the gross premium if it costs Rs 18.69 million to service the insurance need of 800,000 policyholders?

17. a. The PU mutual fund has sold 1 million units at Rs 10 per unit to investors. Currently, the fund has charged management fee of Rs 90,000. The fund's portfolio is shown below:

| Stocks | Number of shares | Price per share |
|--------|------------------|-----------------|
| NABIL | 6,000 | 330 |
| HBL | 5000 | 540 |
| BOKL | 7000 | 320 |
| NSBI | 4000 | 400 |
| SCB | 2000 | 2200 |

Calculate the NAV and Selling price if it is sold 10% discount from NAV.

- b. Suppose an employee is in 20 years of service. The percentage annual payment benefit provided is 2.5%. The average salary per month is Rs 40,000. The flat benefit is Rs 50,000. What is the final pay retirement benefit?

Section "C"

Case Analysis

18. *Read the case situation given below and answer the questions that follow:* [20]
Suppose, followings are the information on the elements of core and supplementary capital of NMB Bank Ltd.

(Figure in million)

| Capital | Amount (Rs) |
|--------------------------------|-------------|
| Paid up Capital | 8,000 |
| Share premium | 3,500 |
| Irredeemable preference shares | 1,00 |
| Redeemable preference shares | 400 |
| Hybrid capital instrument | 300 |
| General loan loss provision | 100 |
| Assets revaluation reserve | 15 |
| Investment adjustment reserve | 30 |
| Subordinated term loan | 250 |
| Exchange equalization reserve | 90 |
| General reserve | 600 |
| Retained earning | 400 |

Likewise, suppose the following are the balance sheet items and off-balance sheet items, and risk weight to corresponding items of NMB Bank Ltd.

| Balance sheet Item | Book Value (Rs. million) | Risk weight (in %) |
|--|-------------------------------------|-------------------------------|
| Claim on government securities | 2,500 | 0 |
| Claim on foreign central banks | 3,500 | 40 |
| Claim on domestic companies | 51,000 | 100 |
| Staff loans and advances | 1,500 | 50 |
| Claims secured by residential properties | 58,000 | 80 |
| Off-balance sheet items: | | |
| L/C commitment | 5,000 | 50 |
| Bid bond | 200 | 30 |
| Advance payment guarantee | 900 | 100 |

Additional information:

The bank has operational risk weighted exposure of Rs. 5,000 million and market risk weighted exposure of Rs. 3,000 million and the minimum core capital to be maintained by the bank is 5 %.

Required:

- What is the core capital of the bank? [2]
- What is the supplementary capital of the bank? [2]
- What is the total capital fund of the bank? [2]
- What is the on-balance sheet credit risk weighted exposure? [2]
- What is the off-balance sheet credit risk weighted exposure? [2]
- What is the total risk weighted exposure? [2]
- What is the core capital ratio? [3]
- What is the capital adequacy ratio? [3]
- What is the minimum core capital that is to be maintained by the bank. [2]

POKHARA UNIVERSITY

Level: Bachelor

Semester: Fall

Year: 2024

Programme: BBA\BBA-BI/BBA-TT/BHM

Full Marks: 100

Course: Introduction to Management Information System

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 is cache memory?
2. What do you mean by language processor?
3. What is client-server network?
4. What is DDL?
5. What is primary key?
6. What is data dictionary?
7. What is VAN and VPN?
8. What is EDI?
9. What is POS? List out its features.
10. List out the potential threats of Information System.

Section “B”

Descriptive Answer Questions

Attempt **any six** questions. [6×10]

11. What are different transmission medias used in telecommunication network? Why do we prefer fiber optics as a better communication media over others? Explain.
12. What is e-commerce? Discuss the benefits and challenges of e-commerce.
13. What is software? Why is OS classified as a system software? Explain.
14. What are the different types of databases in an organization? Explain multi-dimensional data model with a neat diagram.
15. Explain the concept of Software Development Life Cycle (SDLC) and its stages. Compare waterfall model and prototyping model of information system development.
16. What is role of network topology in Information System Design? Briefly describe the various types of network topologies along with their advantages and disadvantages
17. Explain the Computer Reservation System (CRS) and Global distribution System (GDS) with their business value and real time applications.

Section “C”
Case Analysis

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

Apple Merging Technology, Business, and Entertainment

This might sound hard to believe, but a bit more than a decade ago, Apple was on the brink of bankruptcy. Apple Computer Inc., now back from near oblivion, is blazing a trail through the digital world with innovation and creativity that has been missing from the company for the past 20 years. The unique feature of Apple’s competitive advantages is that they come from customers and users, not Apple employees. That’s right; the company welcomes products created by consumers to sell to consumers, a trend new to business.

Capitalizing on the iPod

With millions of iPods in the hands of consumers, many people are finding ways to capitalize on the product. John Lin created a prototype of a remote control for the iPod and took his prototype to Macworld, where he found success. A few months later, Lin’s company had Apple’s blessing and a commitment for shelf space in its retail stores. —This is how Apple supports the iPod economy, Lin said. In the iPod-dominated market, hundreds of companies have been inspired to develop more than 500 accessories—everything from rechargers for the car to \$1,500 Fendi bags. Eric Tong, vice president at Belkin, a cable and peripheral manufacturer, believes that 75 percent of all iPod owners purchase at least one accessory—selling over 30 million accessories to date. With most of the products priced between \$10 and \$200 that puts the iPod economy well over \$300 million and perhaps as high as \$6 billion. Popular iPod accessories include:

Altec Lansing Technologies—iPod speakers and recharger dock (\$150).

Belkin—TuneCast mobile FM transmitter (\$40).

Etymotic Research—high-end earphones (\$150).

Griffin Technology—iTrip FM transmitter (\$35).

Kate Spade—Geneva faux-croc mini iPod holder (\$55).

Apple—socks set in six colors: green, purple, blue, orange, pink, and gray (\$29).

Apple—digital camera connector (\$29).

Capitalizing on the iPhone

Looking at someone using an iPhone is an interesting experience because

there is a good chance they are not making a phone call. They could be doing a number of things from playing a game to trading stocks, watching a TV show, or even conducting business with a mobile version of salesforce.com 's customer-management software. In a brilliant strategic move, Apple let outsiders offer software for the iPhone and in less than six months, more than 10,000 applications had been created.

In fact, more than 15,000 applications are available at its app store section of iTunes, and they have been downloaded a total of 500 million times. Now, many of the iPhone apps are available for the iPad. The iPhone and iPad app store market is getting so huge relative to other smartphone markets that some developers argue there is little point adapting applications for Google's Android or any other iPhone competitor.

According to Jeff Holden, CEO of Pelago Inc., when he created his social networking company he fully intended to follow the conventional wisdom for how to build a sizable, fast-growing software company: Get your programs on as many platforms and devices as possible. But when he crunched the numbers he came to an interesting business conclusion: The 13 million iPhone owners had already downloaded more applications than the 1.1 billion other cell phone owners! To entrepreneurs, developing a program for the iPhone automatically provides a significantly larger market—almost 94 times larger than its competitors. —Why would I ever build for anything but the iPhone?

Questions:

- a. Why are data, information, business intelligence, and knowledge important to Apple?
- b. Give an example of each type of information, business intelligence and knowledge in relation to the iPad.
- c. Explain how Apple achieved business success through the use of information, information technology, and people.
- d. Evaluate how Apple can gain business intelligence through the implementation of a customer relationship management system

POKHARA UNIVERSITY

Level: Bachelor

Semester: Fall

Year: 2024

Programme: BBA-BI

Full Marks: 100

Course: Management of Commercial Bank

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. Mention the types of banks and financial institutions licensed in Nepal.
2. Why regulation is required in banks?
3. What is unit banking organization?
4. What legal conditions are required to be fulfilled by banks for opening branch office inside Kathmandu valley?
5. What are off-balance sheet items?
6. Mention the benefits of using financial ratio analysis.
7. Mention any four components of core capital (Tier 1 Capital).
8. What is demand deposit?
9. List down the bank's competitors.
10. Why audit is required at Bank?

Section “B”

Descriptive Answer Questions

Attempt **any six** questions. [6×10]

11. Define bank. Explain major services provided by commercial banks.
12. Explain the reasons behind currently excess liquidity in banking industry. What can be measures that NRB, government and bank need to do to solve it?
13. Develop an organizational structure of commercial banking industry. Explain key features.
14. Elaborate about the concept and role of new digital services provided by banks like ATM, internet banking, mobile banking, any branch banking service (ABBS) etc.
15. Studying balance sheet is important to know about the Banks performance. How?
16. What is core capital in banks? How capital adequacy ratio is calculated and why is it important.

17. Explain about the deposit and non-deposit sources of fund of banks.

Section “C”

Case Analysis

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

A regional bank has been experiencing inconsistent financial performance over the past few years. Despite making substantial investments in technology upgrades, branch renovations, and customer service initiatives, the bank's profitability remains below industry expectations. Key financial metrics, such as return on assets (ROA) and net interest margin (NIM), have shown little improvement, while operating costs have continued to rise. The bank has also seen a decline in its market share due to increasing competition from digital-only and fintech banks.

Although the bank has expanded its digital banking services, online customer acquisition rates have been slower than anticipated, and customer retention is a concern. Moreover, despite higher investments in technology, the bank's efficiency ratio has worsened, indicating that operational costs are not being managed effectively in proportion to revenue growth.

The leadership team is now looking to understand the reasons behind these financial challenges and seeking strategies to improve key financial indicators such as profitability, cost efficiency, and market share in an increasingly competitive banking environment.

Questions:

- What are the major categories of ratios which are used in performance evaluation of the banks. Explain with examples of ratios.
- What internal and external factors should be taken into consideration during performance evaluation of banks.
- Suggest some ideas for minimization of operational cost of the regional bank mentioned above.
- Given the following information on the revenue and expense of the bank, determine the bank's net income after tax for the year just concluded. Assume tax rate 30 %.

| | |
|------------------------------------|-------------|
| Salaries and employee benefit | Rs. 160,000 |
| Interest on deposit | Rs. 240,000 |
| Interest on loan | Rs. 640,000 |
| Income from treasury securities | Rs. 150,000 |
| Interest on non deposit borrowings | Rs. 60,000 |
| Provision for loan loss | Rs. 44,000 |
| Interest on government securities | Rs. 162,000 |
| Net securities gain | Rs. 10,000 |

POKHARA UNIVERSITY

Level: Bachelor

Semester: Fall

Year: 2024

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

Full Marks: 100

Course: Management of Human Resources

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. Why HRM is said a shared function?
2. What are the common types of tests used in the selection process?
3. Differentiate between training and development.
4. What do you mean by Recruitment of protected classes?
5. At which situation the organization may assess the training need?
6. How can performance appraisals be utilized to enhance employee performance?
7. Briefly explain the employee compensation structure.
8. Why employee join Unions?
9. Write any four consequences of employee grievance.
10. What are the drugs and alcohol related problems in the workplace?

Section “B”

Descriptive Answer Questions

Attempt **any six** questions. [6×10]

11. In the light of the changing context of HRM and the challenges pose by it, discuss the impact of development of Artificial Intelligence to HRM.
12. Identify the primary challenges encountered in the recruitment and selection process. Outline the critical steps involved in this process and discuss how effectively addressing these challenges can enhance hiring results.
13. Effective training has been considered as a mechanism to improve the overall efficiency of an organization. In the line with this statement, discuss the different on-the-job methods of training.
14. Evaluate the different methods of performance appraisal and discuss the importance of the appraisal interview in the overall process. Additionally, identify the key factors that can impact the effectiveness of performance appraisals in various organizational contexts.

15. What do you mean by compensation management? Describe the government regulations of compensation in Nepal.
16. Explain sexual harassment issue as one of the major responsibilities of human resource manager.
17. Given the evolving business environment and challenges faced by organizations in Nepal, critically examine the Human Resource Development (HRD) practices in Nepalese organizations, highlighting strengths, weaknesses, and areas for improvement.

Section “C”

Case Analysis

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

Himalayas Garment Industry is a prominent company located in Nepal that exports its products primarily to Europe. The company employs 143 workers, ranging from managers to factory helpers. The workforce is represented by three separate trade unions, each affiliated with different political parties. This fragmentation creates challenges in managing labor relations.

In recent years, the company faced significant competition when Indian garment manufacturers began exporting similar products to Europe at lower prices. This increased competition severely impacted the company's revenue generation and led to financial instability. In response, the management decided to lay off a substantial number of employees to cut costs.

However, the decision to lay off workers led to a conflict with the employee unions, particularly as the three unions had different agendas and demands. These differing demands created tensions, complicating the process of collective bargaining and dispute resolution. In addition to the common agenda of reinstatement of the laid-off employees, the situation at the industry grew more complex when the parent political parties of the unions began to intervene in the dispute. The union leaders, who were already divided by different demands, were further provoked by their respective political parties, each pushing their own political agendas.

The political parties, each with different ideological stances, started influencing union leaders to take more aggressive positions in negotiations. One union advocated for a complete reversal of the layoffs as part of a broader campaign for workers' rights and social justice. On the other hand, next union was more concerned with securing better financial compensation

for the laid-off workers, including severance packages and a fair process for the distribution of benefits. They also sought an improvement in working conditions across the company to ensure that employees would not feel threatened by future layoffs. The third union demanded not only the reinstatement of workers but also a guarantee of permanent jobs and higher wages. Their rhetoric became increasingly confrontational, accusing the management of exploiting workers for the benefit of foreign markets and capital.

The political interference further fueled the divisions among the unions, making the collective bargaining process even more difficult. Each union leader became more focused on meeting the expectations of their political backers rather than finding a middle ground that would satisfy both the management and the workers.

Questions:

- a. Evaluate the role of the HR Manager in handling the challenges posed by the involvement of political parties in union negotiations. [5]
- b. Discuss how the political influence on unions can impact the long-term relationship between the management and employees at Himalayas Garment Industry. [5]
- c. Design a conflict resolution strategy for addressing the unions' demands, including reinstatement of workers, compensation, and improved working conditions, while ensuring the company's financial stability. How should the HR Manager balance the workers' needs with the company's economic constraints? [10]

POKHARA UNIVERSITY

Level: Bachelor

Semester: Fall

Year: 2024

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

Full Marks: 100

Course: Principles of Marketing

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 is societal marketing concept?
2. Define proactive and reactive marketing approaches.
3. Give the meaning of E-marketing.
4. Mention the process of conducting marketing research.
5. What is systematic selling?
6. What are the bases of targeting the market?
7. Differentiate penetration strategy with price skimming strategy.
8. What is bundle pricing?
9. What is integrated marketing communication?
10. Briefly explain the concept of channel conflict.

Section “B”

Descriptive Answer Questions

Attempt **any six** questions. [6×10]

11. Define marketing environment. Clearly explain how does the macro environment affect the marketing decisions?
12. What is marketing information system? Explain the components of MIS.
13. In what way organizational buying is distinct than consumer buying behavior? Explain with examples.
14. Assume that you are the sole importer of leading electric vehicle in Nepal. How would you segment the market? Explain.
15. Develop marketing strategies in each stage of product life cycle of smart phone company.
16. What is marketing logistic? Explain the major logistic components.
17. Being a marketing manager of a Management College of Pokhara University, how would you finalize the advertising media for promotion? Explain few appropriate media along with your justification of selection.

Section “C”
Case Analysis

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

Everest Snacks, a local food company in Nepal, plans to launch a new line of healthier packaged snacks called NutriBites. These snacks are made from locally sourced ingredients like millet, buckwheat, and lentils, aiming to provide a nutritious alternative to popular imported chips and biscuits. The target market is health-conscious young Nepalese consumers who are increasingly aware of the need for better nutrition but often lack convenient options.

The company faces significant competition from established brands with strong distribution networks and marketing budgets. Despite this, Everest Snacks believes it can carve out a niche by emphasizing the local and health aspects of its product.

For its marketing strategy, Everest Snacks has set an affordable price to attract middle-income families while maintaining a premium perception through attractive eco-friendly packaging. The snacks will initially be available in urban markets like Kathmandu, Pokhara, and Biratnagar, targeting retail shops, supermarkets, and online platforms. To promote NutriBites, the company plans to collaborate with local influencers, host tasting events at schools and gyms, and launch a digital campaign with the slogan, "Healthy Taste, Proudly Nepali."

However, challenges remain. Convincing consumers to switch from their favorite brands and ensuring wide distribution in a geographically diverse country are critical issues.

Questions:

- a. Evaluate the marketing mix for NutriBites. Are there any areas that need improvement? [5]
- b. How effectively does Everest Snacks segment, target, and position its product? [5]
- c. Suggest ways the company can strengthen its promotional strategy in Nepalese market. [5]
- d. What challenges might arise in scaling distribution across Nepal, and how can they be addressed? [5]