

POKHARA UNIVERSITY

Semester: Spring

Level: Bachelor
Programme: BBA-BI
Course: Essentials of e-Business

Year: 2021

Full Marks: 100

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. In what way the Gartner's hype cycle is different from product life cycle?
2. Define ICT development index and its framework of measurement.
3. Define digital divide and its consequences in the society.
4. Describe the technologies used in e-business security.
5. Describe the e-tendering in e-business.
6. What do you mean by the term divisibility in epayments?
7. What is customer relationship management software? Give an example.
8. What are the negative social consequences of e-commerce system?
9. How are smart cards different from magnetic strip cards?
10. What is a click wrap agreement?

Section "B"

Descriptive Answer Questions

Attempt **any six** questions. [6×10]

11. What is an E-check and explain how it works?
12. What are electronic signature? How it is different from digital signature? Explain.
13. What is SEO in the context of digital marketing. Illustrate 5 points utilizing which we can conduct effective on page SEO?
14. Explain various ways using which a consumer can pay electronically while buying any product or service online. Draw necessary figures.
15. Define disruptive technology. Describe the disruptive innovation with examples.
16. Define e-procurement. Describe the difference between out-sourcing and offshoring with examples.
17. a) Explain the advantages and disadvantages of Digital signature in e-contracting.
b) Define e-Business. Explain the need of integration of product catalog in e-business.

Section "C"
Case Analysis

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

**[Policy and Regulatory Foundation for Digital Nepal
(The Digital Nepal Framework, 2019)]**

A number of policy and regulatory frameworks governing the ICT sector provide a basic foundation for the Digital Nepal framework. For example, the National ICT Policy introduced in 2015 seeks to enhance the vision of transforming Nepali society into knowledge and information based society by harnessing rapid advances in the ICT sector. Similarly, the National Broadband Policy announced in 2016 puts forth a framework for stimulating broadband access and availability across the country.

Among others, policy emphasis that has been placed on effectively leveraging Universal Service Access Funds as a means of bridging digital divide will provide a strong mechanism for expanding broadband access to communities beyond urban areas if implemented effectively. While effective implementation of these policy instruments can substantially complement Digital Nepal Program, it will be important to understand the role of a holistic policy regime that transcends ICT domain. For example, there could be a need to revisit investment and trade policies to secure large scale private sector participation in various sectors within the digital economy such as (ecommerce, sharing economy and IT enabled services).

Similarly, it will be important to carry out broad based policy gap analysis so as to ensure that Digital Nepal Program is grounded on sound policy frameworks. In addition to a number of policy and regulatory frameworks including the National ICT Policy, National Broadband Policy and Electronic Transaction Act, the government has also developed the Government Enterprise Architecture (GEA) and Nepal e-Governance Interoperability Framework (NeGIF) which mark some of the foundational initiatives for enabling roll-out of citizen centric digital services and systems that are interoperable and provide a framework for seamless integration.

These frameworks do have applicability beyond the realm of centralized roll-out of digitally enabled government services and could easily be adapted to provincial and local government settings reflecting new political reality of the federal system of governance. In addition, the Government Websites Design / Development and Management Guidelines published in 2068 could also help ensure standardization in the way contents for public consumption are presented by government agencies.

The Digital Nepal initiative must assess and evaluate these frameworks and the supporting government endorsed guidelines concerning automation

and digitalization of government services and suggest improvements if necessary

Questions:

- a) How do you assess the Nepal's readiness towards Digital Nepal?
- b) "Digital Nepal Framework can unleash the Nepal's potential journey towards prosperity". Discuss.

POKHARA UNIVERSITY

Level: Bachelor
Programme: BBA/BI/TT
Course: Financial Management

Semester: Spring

Year: 2021

Full Marks: 100

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 do you understand by wealth maximization goal?
2. What is financial leverage? Mention its significance.
3. Differentiate between business risk and financial risk?
4. What are the features of common stock?
5. Himal Inc. has ICP of 60 days, Operating cycle of 96 days, and CCC of 35 days. Calculate its RCP and PDP.
6. The market price of Mega share is Rs.350, if company announced 3 for 2 stock splits, what will be market price of stock after stock split?
7. What do you mean by conversion value?
8. What are the motives of holding cash?
9. Why the market value of warrant is greater than its theoretical value?
10. What are the differences between merger and acquisition?

Section "B"

Descriptive Answer Questions

Attempt **any six** questions. [6×10]

11. a) What is agency problem? Give some examples of agency problem between shareholders and creditors? How they can be solved? [5]
b) Mergers and acquisition has been the trending issue in Nepalese financial sector nowadays. Explain the major benefits of M & A in the context Nepal. [5]
12. a) In the year 2020, Manaslu enterprises has earned net income of Rs.600000 and paid Rs.240000 as dividend. Last year (2021), the firm's net income of Rs.25,00,000. The firm currently has 50000 shares outstanding. The firm plans to make investments that require financing of Rs.2000000 in coming year. MC Inc. has a target debt-equity ratio of 1. [5]
 - i. Calculate the amount of dividend if the firm adopts residual policy.
 - ii. Calculate the amount of dividend and dividend per share, if the firm wants to continue same dividend payout ratio of the year 2020.

iii. Why the firm uses residual dividend policy?

b) Sunshine Manufactures shareholders equity, December 30, 2021:

Common stock @ Rs.100 par value	Rs.30,000,000
Additional paid-in capital	15,000,000
Retained earnings	<u>55,000,000</u>
Shareholders' equity	<u>Rs.100,000,000</u>

On December 31, Sunshine declared a 10 percent stock dividend. The price of the stock on December 30 was Rs.500. Reformulate the stockholders' capitalization accounts of the firm. [5]

13. Chemical Fertilizer Centre sells 240,000 bags of lawn fertilizer annually. The optimal safety stock (Which is on hand initially) is 1500 bags. Each bag costs centre Rs 8, inventory-carrying costs are 20 percent, and the cost of placing order with its suppliers is Rs 25.
- What is the economic order quantity?
 - What is the maximum inventory of fertilizer?
 - What is Centre's average inventory?
 - How often must the Centre order?
 - If lead-time is approximately 6 days, at what inventory level on order be made? Assume 360 days in a year.
14. Consider the following information of Himalayan noodles company.
Selling price = Rs.5, Variable cost = Rs.3 and Fixed cost Rs.24,000 including depreciation of Rs.8,000, Calculate;
- Operating BEP
 - Cash BEP
 - If desired profit is Rs.30,000, how many units firm needs to sell?
 - If desired profit after tax is Rs.20,000 and tax rate is 40 percent, how many units firm needs to sell?
15. Mt. Everest Company plans to issue 8 percent coupon, Rs.1000 par value, and 15 year convertible bond at par value. The bond is callable at Rs.1100. The bond may be converted into 25 shares of stock. Current market price of stock is Rs.32 per share. The stock price is expected to grow at a rate of 10 percent per year. Interest rate on similar risk non-convertible bond is 10 percent. The bonds are expected to be called when conversion value reaches 141.75 percent of par value.
- What is the conversion price?
 - Compute initial conversion premium.
 - Compute the straight bond value today and at the end of year 4.
 - Compute initial conversion value and conversion value at the end of year 4.
 - Compute the minimum price of convertible bond today and at the end of year 4.
16. GP corporation has credit sales of Rs.1000,000 on a term of 2/10 net 30.

Out of its credit customer 40 percent pay on 10th days of purchase and take discounts where as others customers pay on 40th days of purchases.

- a) What do you understanding about receivable management? Explain.
 - b) Calculate average collection period or DSO?
 - c) Calculate amount of account receivables?
 - d) If non discount taking customer pay on due date what should be the new DSO and account receivables?
17. The Nepal herbal company is attempting to establish a current assets policy. Fixed assets are Rs.500,000, and the firm plans to maintain a 60 percent debt to assets ratio. The interest rate is 8 percent on all debt. Three alternative current assets investment policies are under consideration are to carry current assets that total 30, 50 and 70 percent of projected sales. The company expects to earn 12 percent before interest and taxes on sales of Rs.5000, 000. Marginal tax rate is 40 percent. What is the expected return on equity under each policy?

Section "C"

Case Analysis

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

Ridi Hydro power company needs machine for construction of a tunnel. One alternative is to lease the machine on 4 year contract for a lease payments of Rs.50, 000 a year and payments are made at end of the year. Alternatively it could purchase machine for Rs.200, 000 financing by a bank loan with interest rate of 10 percent and instalment are paid at end of year. The machine depreciated under MACRS 3-year property class. The cash salvage value of machine at end will be Rs.20, 000. The corporate tax rate is 30 percent.

- a) What are the main benefits of leasing and purchasing to user of assets?
- b) What is cost of leasing?
- c) What is cost of purchasing using table method?
- d) Should company lease or purchase the machine?
- e) Why company uses Kdt as discount rate in evaluating leasing and purchasing decisions?

POKHARA UNIVERSITY

Semester: Spring

Year: 2021

Level: Bachelor

Programme: BBA-BI

Course: Legal Aspects of Banking and Insurance

Full Marks: 100

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. Briefly state the function of the bank along with legal perquisite.
2. Write two consequences of non-compliance.
3. What do you mean by corporate affairs?
4. What is international trade?
5. What do you mean by insurance contract?
6. What do you mean by Ombudsman?
7. What are the major regulators of banking and insurance field?
8. What is Capital adequacy ratio?
9. What is Insurance Board?
10. Why should a bank need to follow corporate governance?

Section "B"

Descriptive Answer Questions

Attempt **any six** questions. [6×10]

11. Illustrate the Banking history of Nepal. Why is 2040s regarded as milestone in banking history in Nepal?
12. What is Corporate Reporting of Bank? Write the types and process of reporting applied in bank.
13. How can we incorporate Banking Business in Nepal? What is the procedure to register the Insurance business?
14. Explain the risk management process along with categorical definitions of risk.
15. Explain the role of NRB as a regulatory body. Highlights the objectives of BAFIA and functions of A Grade Bank with reference to BAFIA 2073.
16. Explain the claim and settlement procedure in Life and Non Life Insurance as per Insurance Regulation 2049 B.S.
17. Explain the role of NRB as a regulatory body. Describe all essential characteristics.

Section "C"
Case Analysis

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

Nepal has been consistently reforming its Central bank policy and directives. In doing so Government of Nepal has signed various International instrument recent on being Basel I, II, III. Policy reviews shows that there are strategic changes that will bring instability in the banking sector; however, this is not officially confirmed.

Nepal Rastra Bank (NRB) has however postponed plans for phase-wise roll out of latest international regulatory frameworks aimed at strengthening the shock absorbing capacity of banks.

The banking sector regulator had previously decided to introduce Basel III regulatory frameworks at commercial banks from the beginning of 2015. It is now mulling over launching those regulations from mid-July next year.

"We were supposed to finalize drafts of regulations on implementation of Basel III Capital Regulations by October. But we couldn't," NRB Director told The ACE daily, However there is a caveat; the proportion of common equity in Tier 1 capital should stand at 66.67 percent in 2015, which will be reduced to around 64.30 percent by 2019, shows the NRB timetable designed in April.

In other words, minimum common equity capital ratio should stand at 4-4.5 percent of risk weighted assets in between 2015* and 2019, while the portion of non-core Tier 1 capital will rise from two percent of risk weighted assets in 2015 to 2.5 percent in 2019.

Banks here currently do not take common equity into account while calculating Tier 1 capital. However, the central bank says commercial banks, excluding the two state-owned banks, will not have problem in meeting this requirement as they are currently required to maintain paid-up capital of at least Nrs two billion. Another new provision in Basel III is capital conservation buffer. Initially, the buffer should be maintained at one percent of the risk weighted assets and gradually raised to 2.5 percent by 2019.

Questions:

- a) What are other Banking policy and other measures that can be taken to adjust such changes within banks?
- b) Also, please advise the government on globalization of banking along with its importance and its reforms through Basel framework.
- c) The Government also seeks your expert review on Basel committee on banking supervision its Core banking supervision.
- d) Also elucidate on Globally systematic important banks (G-SIBs) and the Financial Stability Board requirement for being G-SIB's.

POKHARA UNIVERSITY

Level: Bachelor
Programme: BBA-BI
Course: Life and Health Insurance

Semester: Spring

Year: 2021
Full Marks: 100
Pass Marks: 45
Time: 3 hrs.

18.

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 economic value of life insurance.
2. Mention different types of families according to the impact of premature death of family head in the family?
3. Outline the contractual provisions in Life insurance.
4. List out documents to be required to settle the death claim.
5. Distinguish between insurance agents and bancassurance.
6. Define term life insurance and whole life insurance.
7. Define Whole Life Insurance.
8. Describe Policy Lapse and Revival.
9. Define Cost of Life Insurance.
10. What is the meaning of exclusion and inclusions of life insurance?

Section "B"

Descriptive Answer Questions

Attempt **any six** questions. [6×10]

11. Briefly explain the history of life insurance industry in Nepal outlining the major events.
12. Explain the underwriting process of life insurance.
13. What are the provisions in the life insurance contract? Categorically describe.
14. Explain the types of life insurance policies with suitable examples.
15. Discuss in details the group health insurance.
16. Explain life insurance claim settlement process and obligation of policyholders and insurers.
17. "Health insurance is urgent need of Nepal but there are many obstacles to implement" Do you agree on this statement?

Section "C"
Case Analysis

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

Quality Stone Factory (QSF) located in Pokhara has around 600 workers for its regular operation. Their job is to find quality and attractive stone around the hill and bring in to the factory. Some skilled workers cut the stone in different shape which is used in building instead of the paints in the outer face of the wall. There are different types of stone. Black stone is more strong than white. White produces more dust but black is more hard to break as per the required share and thickness. The factory is situated near by the Seti river. They have been using traditional working style so that the physical hazard has increased.

Nepal Life Insurance (NLI) is the regular supplier of the group life insurance policy to the QSF. Every year NLI used to pay 6-7 death claims of the workers. This year, Board of Directors decided to continue the term life insurance policy of the workers of the QSF as it is not profitable business since many years. But, field manager suggested to the BOD that from this year such kind of accident which happened in last 4-5 years will not happen in QSF. He argued that Department of Labour made it compulsory to follow the right risk management techniques while working in the risky job like in QSF. BOD of NLI decided to increase the premium by NPR 4,000.00 per head particularly for the staff of QSF. QSF denied to purchase the expensive insurance policy and shifted to another company 'Himalayan Life Insurance (HLI)' with the proposal. Suppose you are the CEO of GLI, you have to decide to accept or reject the proposal of almost 600 workers.

Questions:

- a) As a manager of the HLI, what are the major threats do you observe before accepting the proposal?
- b) Do you think that the death rates of QSF is normal? What are the factors that might increase the death rate of the factory?
- c) Do you think the premium for health and life insurance of such workers should pay entirely by the company? Suggest if you have any alternatives. Why?
- d) How HLI can get the business while minimizing the both premium and risk? Suggest.