

POKHARA UNIVERSITY

Level: Bachelor

Semester: Fall

Year: 2024

Programme: BBA/BBA-BI

Full Marks: 100

Course: Essentials of e-Business

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 the world wide web?
2. Define hybrid distribution network.
3. What do you mean by electronic fund transfer?
4. What do you mean by e-business plan?
5. What does an E-Business mean to you? Give 2 examples of E-Businesses.
6. How does E-Business differ from E-Commerce?
7. What do you understand by Viral Marketing?
8. List out the security Vulnerabilities in E-Commerce.
9. Define E-procurement and E-Tendering.
10. What is Digital Signature?

Section “B”

Descriptive Answer Questions

Attempt **any six** questions. [6×10]

11. Discuss the contribution of e-business for the growth of economic, market, competitiveness and productivity.
12. What is the importance of Database Management System (DBMS) in e-business? Explain with examples.
13. What is Digital Marketing? How do you measure the extent of digital marketing activities?
14. Explain the model for electronic software distribution.
15. Explain the types of Online Payment Technologies.
16. Explain the sell-side and buy side in e-business with its solution.
17. What is E-contracting? Explain the structure of E-contracting.

Section “C”

Case Analysis

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

Intel Corporation is a global leader in high-tech manufacturing and semiconductor chip production. Its two largest customers, Dell and HP, account for 19% and 16% of the company's revenue, respectively. Intel's

mission is to deliver exceptional value to its customers, employees, and shareholders by being the premier supplier of building blocks for the global digital economy, while maintaining profitability, responsiveness, and innovation.

A significant portion of Intel's procurement process is automated, with 60% of material transactions and 85% of customer orders processed electronically. The company's journey with e-procurement began in 1998, when it introduced its first web-based system for travel procurement. In 2002, Intel expanded its e-procurement initiative to improve the procurement of indirect materials, which accounted for 60% of the company's total procurement value.

By 2004, Intel had fully implemented its procurement system, resulting in increased spending visibility and a dramatic reduction in administrative overhead. The number of requisition-to-pay processes dropped from over 65 in 2002 to fewer than 10 in 2004, and fewer than 5 by 2005. In 2004, Intel also completed the integration of strategic sourcing, ERP systems, and spend analysis, though the full implementation of the central ERP system continued. By 2005, 14,000 suppliers were connected to Intel through various IT systems, including the RosettaNet standard.

In 2005, Intel migrated its order management model to a new ERP platform and developed a new Supplier Relationship Management (SRM) system in partnership with SAP. By 2006, Intel had fully transitioned its indirect materials purchasing to the e-procurement system, capturing 98% of its procurement volume within the reporting system. This transition marked a significant milestone in Intel's efforts to streamline procurement processes and enhance efficiency.

Questions:

- a. What are the different technologies adopted by Intel company and discuss its major functions?
- b. In your opinion, what are the major business processes and business functions incorporated into Intel?
- c. If you were the Chief Technology Officer (CTO) of the company what would be your plan for maintaining qualitative technology for such an organization?
- d. To what extent can the model of a 100% e-corporation be realistically applied in different companies and sectors?

POKHARA UNIVERSITY

Level: Bachelor

Semester: Fall

Year: 2024

Programme: BBA/BBA-BI/BBA-TT

Full Marks: 100

Course: Financial 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. What do you mean by financial management?
2. Mention the features of optimal capital structure.
3. Define dividend payout and retention ratio.
4. What are the important dates for right offering procedures?
5. Pokhara Finance Company's authorized, issued and treasury stocks are 200,000, 160,000 and 20,000 respectively. What is the number of outstanding stocks?
6. What is cash conversion cycle?
7. What are reasons for holding cash?
8. List out the specific features of convertible securities.
9. What do you mean by horizontal merger?
10. What is the ABC analysis technique of inventory management?

Section "B"

Descriptive Answer Questions

Attempt any six questions. [6×10]

11. What are the major financial management decisions? Explain.

12. Lalitpur Textile Company has the following shareholders' equity account:

Common stock (100,000 shares @ Rs 10)	Rs 1,000,000
Additional paid-in-capital	1,000,000
Retained earnings	3,000,000
Shareholders' equity	Rs 5,000,000

The current market price of the stock is Rs 60 per share. What will happen to this account and to number of shares outstanding under following alternatives?

- a. A 20 percent stock dividend? In the absence of signaling effect, what would be new selling price of common stock after the 20 percent stock dividend? What might happen if there were a signaling effect?

- b. A 2-for-1 stock split?
- c. A 1-for-2 stock split?

13. The Bagmati Company is faced with the decision of whether it should purchase or lease a new forklift truck. The truck can be leased on an eight-year contract for Rs 4,641.44 a year or it can be purchased for Rs 26,000. The salvage value of the truck after eight years is Rs 2,000. The company uses straight-line depreciation. The discount rate applied is its after-tax cost of debt. The company can borrow at 15 percent and has a 40 percent marginal tax rate and a 12 percent cost of capital.

- a. Analyze the lease versus purchase decisions using the firm's after-tax cost of debt as the discount factor.
- b. Discuss your results.

14. Mount Everest Pasmina Factory is attempting to analyze its efficiency in working capital management. It has sales of Rs 360,000 this year of which 80 percent are on credit. The investment in receivables for the firm is worth for Rs 50,000. The cost of goods sold which includes the material and labor costs are 60 percent of sales. The firm has Rs 60,000 investment in inventories and an average account payable of Rs 30,000. Assume 360 days a year.

- a. What are the firm's day's sales outstanding, inventory conversion period and payable deferral period?
- b. What is the length of firm's cash conversion cycle?
- c. What amount of working capital must it finance?
- d. What is the working capital turnover of the firm?

15. The Printomat Company has current earnings of Rs 3 a share with 500,000 shares outstanding. The company plans to issue 40,000 shares of 7 percent, Rs 50 par value convertible preferred stock at par. The preferred stock is convertible into two shares of common for each preferred share held. The common stock has a current market price of Rs 21 per share.

- a. What is the preferred stock's conversion value?
- b. What is its conversion premium?
- c. Assuming that total earnings stay the same, what will be the effect of the issue on basic earnings per share (1) before conversion? (2) on a fully diluted basis?

16. A company has fixed operating cost of Rs 12 million and a variable cost ratio of 0.60. The firm has Rs 25 million, 10 percent bank loan and has Rs 5 million, 12 percent bond issue outstanding. The firm has 1 million shares of preferred stock paying Rs 4 per share in preferred stock dividend and 2 million shares of common stock of Rs 100 par. The firm's marginal tax rate is 40 percent, and sales are expected to be Rs 100 million.

- a. What is the firm's degree of operating leverage?
- b. What is its degree of financial leverage?
- c. If sales decline to Rs 70 million, what will be the firm's earnings per share?

17. What do you mean by mergers and acquisitions? How do you differentiate merger from acquisition? Explain.

Section "C"
Case Analysis

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

a. Bhirkuti Paper Company is investigating a lock box system to reduce the collection time. It has determined the following: [6]

Average no of payments per day =385

Average value of payment =Rs 1105

Variable lock box fee per transaction -= Rs 0.5

Daily interest rate= 0.02%

The total time of collection will be reduced by three days if lock box system is adopted.

Required:

- i. What is benefit of lock box system
- ii. What is cost of lock box system?
- iii. Should the system be initiated?
- iv. What is the benefit for company from reducing the or eliminating the float?

b. Siddhartha Tools Industry sells high quality equipment. It has annual demand 45000 units carrying cost are Rs 0.30 per unit and cost of placing order is Rs 30 per order. The lead time for placing order is 5 days (assume 360 days in a year.) It keeps a 6 day's supply on hand as a safety stock. Calculate: [8]

- i. What is economic order quantity?
- ii. What is the average annual cost of EOQ?
- iii. On average how many units are sold per day?
- iv. How much safety stock does the firm have on hand?
- v. What is the firm's reorder point?

c. Himalayan Spinning Mills sells on terms of 3/10 net 30. Total sales for the year is Rs 1000000, fifty percentage of the customers pay on the tenth day and take discount and other fifty percentage pay on average 60 days after their purchases. Assume 360 days in a year. [6]

- i. What is the total days of sales outstanding (DSO)?

- ii. What is the average amount of account receivables?
- iii. What will happen to average amount of account receivables if the tightened the collection policy with a result that all non-discount takers paid on the thirtieth (30th) day?

POKHARA UNIVERSITY

Level: Bachelor

Semester: Fall

Year: 2024

Programme: BBA-BI

Full Marks: 100

Course: Legal Aspect of Banking and Insurance

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 memorandum of association and article of association?
2. Define remittance.
3. What is the special characteristic of the insurance contract?
4. How do you define ombudsman?
5. What is the purpose of bank and insurance regulation?
6. Who are the duties of independent director in a bank?
7. Why should bank maintain capital adequacy ratio? Give two reasons.
8. Briefly state elements of valid contract.
9. Write two consequences of non-compliance.
10. What is a legal personality?

Section "B"

Descriptive Answer Questions

Attempt any six questions. [6×10]

11. Describe the evaluation of bank and Insurance business in Nepal.
12. Define Negotiable Instruments? Also, describe the important feature and types of them.
13. What do you mean by claim procedure of insurance and breach of contract?
14. "Corporate governance gives importance to the economic health of the corporation and the society as a whole". Discuss.
15. What are the preventive measures specified by The Banking Offence and Punishment Act of Nepal?
16. Refer to the major features of NRB Act. How it contributes to develop healthy financial environment?
17. What is corporate reporting of bank? Write the types and process of reporting applied in bank.

Section "C"
Case Analysis

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

GYB Bank of Guiyang is foreign based bank registered in China. The GYB Bank of Guiyang wants established 'A' class bank through equity invests for a joint venture in Nepal with a Nepal based Supreme bank. The GYB Bank of Guiyang on its behalf has nominated Mr. Su Li Chang as its authorized representative for signing a MOU on this regard. The meeting is to take place on hotel del' Annapurna, Nepal at 22nd August, 2019, between Mr. Su Li Chang and the board of directors of Supreme bank. Before addressing the meeting Mr. Su Li Chang hired you for the proper legal advice regarding the following issues. Advice Mr. Su Li Chang regarding:

Questions:

- a. What documents should be provided by Mr. Su Li Chang on behalf of GYB Bank of Guiyang for the purpose for prior approval from NRB?
- b. In which circumstances NRB may refuse to grant prior approval to GYB Bank of Guiyang for the incorporation?
- c. If GYB Bank of Guiyang get approval from NRB for incorporation, what are the Regulatory Powers of NRB to Bank or Financial Institution as per NRB Act of Nepal?
- d. If NRB issue license to carry on banking and financial transactions as an 'A' Class bank then what kind of banking and financial transactions can be performed by the bank?

POKHARA UNIVERSITY

Level: Bachelor

Semester: Fall

Year: 2024

Programme: BBA-BI

Full Marks: 100

Course: Life and Health Insurance

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 “Premature Death”.
2. In which situation Principle of Insurable Interest is applicable in Life Insurance?
3. List out the major factors that influence the premium of insurance.
4. Define Policy Lapse and Policy Revival.
5. Explain the advantage of foreign employment term insurance.
6. Explain the importance of agents report for life insurance contract.
7. List out the process involved in shopping for life insurance.
8. What is Life Insurance Annuity?
9. Differentiate between individual and group insurance.
10. Mention role of Third-Party Administrator in health insurance.

Section “B”

Descriptive Answer Questions

Attempt **any six** questions. [6×10]

11. List out life insurance contractual provisions. Discuss any five provisions in brief. [4+6]
12. Discuss risk of different types of family and suggest specific life insurance products to particular family. [8+2]
13. Highlight the importance of Life insurance to individual, family and economy. [3+3+6]
14. Explain the life insurance claim settlement process in different situations.
15. Discuss different types of life insurance plans available in Nepal. Suggest insurers if you feel there is lacking in product design. [7+3]
16. Mention the major features of Term, Endowment and Whole Life Insurance Policy. [3+4+3]
17. Explain the major health care problems in Nepal. Give the solutions for health care financing. [5+5]

Section “C”
Case Analysis

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

Life Insurance Market after COVID-19

The life insurance providers market consists of the sale of life insurance policies. Life insurance providers enter into a legal contract with the insurance policyholder, where the insurer (life insurance provider) promises to pay a designated beneficiary a sum of money in exchange for a premium, upon the death of an insured person. The life insurance providers are primarily engaged in the pooling of risk by underwriting insurance (that is, assuming the risk and assigning premiums) and annuities.

The global life insurance market is expected to grow from \$2475.85 billion in 2020 to \$2880.18 billion in 2021 at a compound annual growth rate (CAGR) of 16.3%. The growth is mainly due to the companies rearranging their operations and recovering from the COVID-19 impact, which had earlier led to restrictive containment measures involving social distancing, remote working, and the closure of commercial activities that resulted in operational challenges. The market is expected to reach \$3519.44 billion in 2025 at a CAGR of 5.1%.

The rise in disposable income in emerging countries such as India and China is expected to drive the life insurance providers market. Economic growth in the middle-income group translates to higher disposable income which allows them to invest in life insurance products. According to a report by the Swiss Re Institute, the world's seven largest emerging markets will contribute 42% of global growth with China contributing 27%. This rising disposable income, especially in emerging countries is expected to increase demand for life insurance plans thereby driving the life insurance provider's market.

Lack of awareness about life insurance and complex insurance products are acting as a restraint on the life insurance provider's market. A large number of people tend to invest in traditional investment instruments as they are unaware of the benefits of life insurance. According to a survey conducted by PHD Research Bureau, around 49% of the population in India is not familiar with insurance products and around 57% of the people find insurance products too complicated and difficult to understand. This lack of awareness and information proves to be a restraint on the life insurance provider's market.

Questions:

- a. How has the COVID-19 pandemic influenced the operational strategies of life insurance providers, and what long-term effects might this have on the industry's growth trends?
- b. To what extent does rising disposable income in emerging economies contribute to the expansion of the life insurance market, and how might insurers leverage this trend to maximize market penetration?
- c. What role do consumer awareness and financial literacy play in the adoption of life insurance products, and what strategies can insurers implement to address knowledge gaps and product complexity?
- d. Given the forecasted growth rates and market constraints, what key challenges and opportunities exist for life insurance providers in balancing profitability with accessibility to underinsured populations?