

POKHARA UNIVERSITY

Level: Bachelor

Semester: Spring

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. Compare the concept of ebusiness and ecommerce.
2. What are the advantages and disadvantages of a Digital Signature?
3. Describe the major function of Data Warehouse.
4. Differentiate between CRM and eCRM.
5. Define the concept of sell-side and buy-side market solutions.
6. Define the benefits and usage of E-wallet.
7. Write any two differences between credit cards and smart cards.
8. What is EDI?
9. Write any two benefits of SEO.
10. What do you understand by hybrid distribution?

Section “B”

Descriptive Answer Questions

Attempt **any six** questions. [6×10]

11. Explain the different e-business models for e-products and e-services with examples of each model.
12. Computer Security and Control is a challenging job in E-Business. Write about the best practices to face the challenges.
13. What is digital marketing? Illustrate with examples. Describe the effects of ebusiness technologies in marketing strategy.
14. What is E-contracting and why it is needed? Explain the types of essentials required in E-contracting system.
15. Explain Electronic payment system with short example and describe the characteristics of electronic payment system.
16. Explain the key differences between purchasing and procurement in an organizational context. Discuss the significance of each function and how they can work together to benefit the organization.
17. Develop a comprehensive E-Business Plan including business description, market analysis, technological infrastructure and digital marketing strategies.

Section “C”
Case Analysis

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

Online shopping has become increasingly popular over the years due to the convenience, variety of products, and attractive discounts offered by e-commerce websites. Customer satisfaction is a crucial aspect of online shopping as it plays a significant role in the success of e-commerce businesses. It is important to understand the relationship between various factors of online shopping and consumer purchase behaviour in an online shopping context. Several elements can influence customer satisfaction such as online shopping, including website design, ease of use, product quality, pricing, payment system, delivery, customer service etc. Customers expect a seamless and hassle-free experience when shopping online, and any difficulty in the process can result in lower satisfaction levels. Customers are likely to be satisfied if they feel that they are getting value for their money and if the prices are reasonable and competitive. There are several factors that can influence repurchase intention, such as the quality of the product, customer service, pricing, brand reputation, and overall customer experience. If customers have had a positive experience with the product or service and perceive the brand to be reliable and trustworthy, they are more likely to repurchase. The identification of the key elements of customer satisfaction that are relevant includes factors such as website/ app usability, information availability, price, delivery and quality.

The popularity of online shopping among Nepalese customers has increased with the cost-reduction of technology-based goods, the cost of internet services, and easy access to the internet. At the same time, the convenient modes of payment, and user-friendly, as well as, interactive shopping apps are further paving a pathway to unprecedented growth in the online shopping companies. In the context of Nepal, time-saving, offers, easy ordering systems, and information available at the online shopping portal, are the main reasons for the shoppers, to prefer online shopping. The quality of the product delivered to the customer seems to be the major problem in Nepalese online shopping. The delivery of the wrong product is also seen as one of the problems in online shopping in Nepal

Online shopping is an emerging trend in the urban areas of Nepal. The major preference to do online shopping shows that ‘service quality’ positively correlated and negatively correlated with time-saving. At the same time, negatively correlation seems between the service expected from

the online shoppers and the product delivery from online shopping companies, which shows there is still need for the improvement of the service quality from the side of the online shopping companies.

Another issue that should be addressed as soon as possible to flourish online shopping in Nepal is the smooth payment system. As the correlation with the expected service and the payment security seems negatively correlated, Nepalese shoppers are not confident in getting a better option than cash-on-delivery (COD) in online shopping of Nepal. Though few companies have gone forward for the digital, or electronic payment, still the shoppers are not so ready for shifting to electronic payment, as 'product delivery' from the online shopping companies at the time is seen a major issue.

Questions:

- a. What are the opportunities and challenges for E-Commerce in Nepal? [10]
- b. How to deliver customer satisfaction through E-Commerce in Nepal? [5]
- c. What is the importance of satisfied customers for E-Business? [5]

POKHARA UNIVERSITY

Level: Bachelor

Semester: Spring

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. List out the drawbacks of profit maximization.
2. Distinguish between business risk and finance risk.
3. The price of the Buddha Company's stock is Rs 200. If company declares 10 percent stock dividends, what will be the market price after stock dividends.
4. What are the effects of stock dividend on stockholders' equity section of the balance sheet?
5. How would you differentiate between public offering and private placement of securities?
6. What do you mean by conversion ratio?
7. What is credit analysis? What are the 5 Cs of credit?
8. What is venture capital?
9. What is financial distress?
10. A firm has 30 days of inventory conversion period; 20 days of day's sales outstanding and 10 days of payable deferral period. If it requires Rs 4500 per day investment in material labor and other operating costs, what is its working capital financing need?

Section “B”

Descriptive Answer Questions

Attempt **any six** questions. [6×10]

11. What is agency problem? Give some examples of agency problem between shareholders and creditors? How they can be resolved?
12. Pappu Trading Company has the following income statement for 2022:

Sales	Rs. 5,000,000
Variable Operating Costs	1,000,000
Contribution Margin	Rs. 4,000,000
Fixed Cost	2,000,000
EBIT	Rs. 2,000,000
Interest	500,000
EBT	Rs. 1,500,000

Tax @ 40%	600,000
EAT	Rs. 900,000
Preferred Dividends	100,000
Earning available to common stockholders	Rs. 800,000
Shares Outstanding	400,000

- a. Compute company's degree of operating, financial and total leverage.
 - b. If sales increase by Rs. 10,00,000, what is your forecast of EPS?
13. The PFC Company has the following shareholders' equity account:

Common stock (100000 shares@ Rs.10)	1,000,000
Additional paid-in capital	1,000,000
Retained earnings	3,000,000
Shareholders' equity	<u>Rs.5,000,000</u>

The current market price of the stock is Rs.60 per share. You are requested to show shareholders equity accounts with each of the following cases:

- a. 20% stock dividend
 - b. 2-for-1 stock split
 - c. 1-for-2 reverse stock split
14. GPT Company wishes to acquire a merchandized feed spreader that costs Rs. 1,60,000. The Company intends to operate the equipment for 4 years, at which time it will need to be replaced. However, it is expected to have a salvage value of Rs. 20,000 at the end of the 4th year. The asset will be depreciated on a straight line basis over the 4 years, and GPT is in a 30 percent tax bracket. Two means for financing the feed spreader are available. A lease arrangement calls for lease payments of Rs. 48,000 annually, payable at the end of each year. A debt alternative carries an interest cost of 10 percent. Debt payments will be at the end of each of the 4 years using mortgage type debt amortization.
- a. What is the present value of costs under leasing?
 - b. What is the present value of costs under owning / purchasing?
 - c. Should the firm lease or purchase the asset?
15. Fresh Suppliers is attempting to determine the optimal level of current assets for the coming year. Management expects sales to increase to approximately Rs 2 million and the firm wishes to maintain 60 percent debt ratio. The company's interest cost is currently 8 percent on both short-term and long-term (Which the firm uses in its permanent structure). It has Rs 1 million in fixed assets. Three alternatives regarding the projected current level are available to the firm: (1) an aggressive policy requiring current

asset of only 45 percent of projected sales, (2) a moderate policy of 50 percent of sales in current and (3) a conservative policy requiring current assets of 60 percent of sales. The firm expects to generate earnings before interest and taxes (EBIT) at a rate of 12 percent of total sales. What is the expected return on equity under each current asset level? (Assume a 40 percent tax rate.)

16. The common shares of Sagarmatha Corporation earn Rs. 2.50 per share, has a dividend payout of two thirds, and sells at a P/E ratio of 16. Sagarmatha wishes to offer Rs. 10 million of 9 percent, 20 year convertible debentures with an initial conversion premium of 20 percent and a call price of 105. Sagarmatha currently has 1 million common shares outstanding and has a 50 percent tax rate.
- What is the conversion price?
 - What is the conversion ratio per Rs. 1000 debenture?
 - What is the initial conversion value of each debenture?
 - How many new shares of common must be issued if all debentures are converted?
17. Define mergers and acquisitions. Also explain the motives behind mergers and acquisitions.

Section “C”
Case Analysis

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

- a. John snow, Financial Vice president of Milk Cadbury was requested by the company's president to take a look at the company's inventory position. The President thinks that inventories may be too high as a result of the production manager's tendency to make large production runs. John has decided to examine the situation for one key raw material, 200-pound drums of general-purpose Milk Powder. Each drum costs Rs. 1500 to purchase and the ordering cost is Rs. 1500 per order. Annual requirement of the product are 15,000 drums and the annual carrying cost is 10 percent of inventory value. Currently, the company the company has been purchasing 2500 drums per order and lead time of 15 days is required for delivery of goods ordered. Productions are uniform throughout the year. Assume 360 days in a year.
- What is the current level total inventory cost? [2]
 - What is the EOQ for general purpose milk powder? [2]
 - What is the current inventory problem of the firm? [2]
 - How many times the order should be placed? What will the order interval? [2]
 - Calculate the total inventory cost at EOQ. [2]

- vi. If the company maintains safety stock of 6 days usage, then what will be the total inventory cost including safety stock? [2]
 - vii. At what inventory level should an order be placed? [2]
- b. Jagdamba Spinning mills sells, on terms of 2/10, net 30. Total sales for the year are Rs 1,000,000. Fifty percent of the customers pay on the tenth day and take discount, the other 50 percent pay on average 60 days after purchases. Assume 360 days a year.
 - i. What is the DSO? [2]
 - ii. What is the average amount of receivables? [2]
 - iii. What would happen to average receivables if the firm toughened its collection policy with the result that all non-discount customers paid on the 30th day? [2]

POKHARA UNIVERSITY

Level: Bachelor

Semester: Spring

Year: 2024

Programme: BBA-BI

Full Marks: 100

Course: Legal Aspects 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. What do you mean by the negotiable instruments?
2. How corporate governance supports ethical business?
3. How the concept of perpetual succession keeps a company alive forever?
4. Define Memorandum of Association and Article of Association.
5. What is a voidable contract?
6. Differentiate various types of remittance service.
7. What do you mean by “Insurance contract as a Conditional Contract”?
8. Define insurance as a unilateral contract.
9. Define the concept of independent director in banking.
10. What is a letter of credit in business?

Section “B”

Descriptive Answer Questions

Attempt **any six** questions. [6×10]

11. Why regulation is required in Banking and Insurance sectors? Explain it giving references to concerned laws.
12. Describe bank and insurance as legal personality. Moreover, discuss about the categorization of the banks in Nepal.
13. Explain the provisions relating to maintenance of accounts and connect it to corporate reporting.
14. What is capital adequacy ratio? Enlist the importance of it with an example related to current financial situation of Nepal.
15. Discuss the special legal characteristics of Insurance contract.
16. Introduce Insurance Board as the quasi-judicial body particularly relating to the process of claim registration, counter claim, hearing, examination, and cross examination of evidence.
17. Explain the major provisions of Banks and Financial Institutions Act-2006 and Insurance Act-1992.

Section “C”
Case Analysis

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

In 2023, ABC Insurance Company faced a legal battle involving two of its clients, Mr. Raj and Ms. Priya, regarding whole life and term life insurance policies. Mr. Raj had purchased a whole life insurance policy, which provided lifelong coverage and accumulated cash value over time. On the other hand, Ms. Priya had opted for a term life insurance policy, which provided coverage for a specified period of 20 years without any cash value accumulation.

Mr. Raj claimed that his whole life policy was not being properly managed, alleging that the company failed to adequately inform him about the cash value growth and policy loan options. Ms. Priya, whose term policy had expired, argued that she was misled about the renewal terms and conditions, resulting in a significant increase in premiums for continued coverage.

Both clients filed complaints with the insurance regulatory authority, leading to an investigation into ABC Insurance Company’s practices. The case highlighted potential gaps in policyholder communication and the complexities of managing different types of life insurance policies.

Questions:

- a. What are the key disputes in the cases of the whole life insurance policies and term life insurance policies as discussed in the above situation? [6]
- b. With the reference, why should insurance companies effectively communicate clear and transparent policy features and benefits? [6]
- c. Discuss the ethical responsibilities of the insurance company in managing and advising on whole life policies, particularly concerning cash value growth and policy loans. [8]

POKHARA UNIVERSITY

Level: Bachelor

Semester: Spring

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 life insurance from the perspective of law, economics and mathematics.
2. What do you mean by economic value of life?
3. Which of the principles of insurance do not apply to life insurance and why?
4. Write the three features of Term life insurance.
5. List out different types of Endowment life insurance.
6. Differentiate Endowment and Whole Life insurance policy.
7. Distinguish between Reserves and Provisions.
8. Write process of buying life insurance.
9. What do you mean by Third Party Administrator (TPA)?
10. List out any four types of annuities and define any one annuity.

Section “B”

Descriptive Answer Questions

Attempt **any six** questions. [6×10]

11. Mention the milestone events of life insurance industries in Nepal. Discuss the problems and prospects of life insurance industries in Nepal.
12. Why life insurance policy is called the contractual agreement? Explain any five contractual provisions in life insurance policy.
13. Explain maturity claim and death claim practices in Nepal.
14. The constitution of Nepal has addressed the fundamental right relating to the health even though occurring different health related issues so what is your understanding on health related issues or problems and explain importance of health insurance in the context of Nepal.
15. “Various types of Endowment life policies are available in Nepalese market but still people are not getting as per their requirement” Put your reasons for and against the statement.
16. Discuss the process of underwriting of life insurance with reference to the Nepalese practices.
17. Discuss any three dividend options and any four settlement options of life insurance.

Section “C”

Case Analysis

18. *Read the case situation given below and answer the questions that follow:*
Integrating Life Insurance with Health Insurance to Address Poverty

Integrating life insurance with health insurance offers a dual layer of financial security that can significantly benefit impoverished families. Health insurance primarily covers medical expenses, including hospitalizations, surgeries, and treatments for chronic illnesses. However, in the event of a breadwinner's death, families often face financial devastation, losing their primary source of income. Life insurance steps in here, providing a lump-sum payment to the beneficiaries upon the policyholder's death. This financial cushion can help families cover living expenses, debts, and educational costs, ensuring they do not fall deeper into poverty due to the loss of an income earner.

Health insurance alone can significantly improve access to medical care by reducing out-of-pocket expenses. When combined with life insurance, it can create a more robust safety net, encouraging low-income individuals to seek timely medical care without the fear of financial ruin. For instance, integrated policies can offer wellness programs, preventive care, and regular health check-ups, which are essential for early disease detection and management. Additionally, life insurance riders can be included to cover critical illnesses, providing a lump-sum payment upon diagnosis of diseases such as cancer or heart disease, which often require expensive treatments.

When families are protected from the financial shocks of medical emergencies and the loss of a breadwinner, they can maintain a stable standard of living. This stability allows families to invest in long-term goals such as education and small businesses, which are essential for breaking the cycle of poverty. Moreover, insurance payouts can serve as seed money for entrepreneurial ventures, helping individuals start or expand small businesses, thereby generating income and employment opportunities within their communities.

Integrated life and health insurance products can also promote a culture of savings and financial planning among low-income individuals. Many life insurance policies come with a savings or investment component, encouraging policyholders to save regularly.

By safeguarding families against the financial shocks of medical emergencies and the loss of a breadwinner, integrated insurance products can play a vital role in breaking the cycle of poverty and fostering long-term economic growth. Policymakers, insurers, and communities must work together to make these products accessible and affordable, ensuring that the most vulnerable populations can benefit from this innovative approach.

Questions:

- a. How does integrating life insurance with health insurance create a dual layer of financial security for impoverished families? [5]
- b. In what ways can integrated life and health insurance products improve access to healthcare for low-income individuals? [5]
- c. What are the consequences if the life insurance product integrated with health insurance product? [5]
- d. Extract four themes from the above text. [5]