

Level: Bachelor

Semester: Fall

Year: 2021

Programme: BBA/BBA-BI

Full Marks: 100

Course: Business Environment in Nepal

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 Business environment is called dynamic?
2. Define economic system.
3. What is constitutional body? List any four constitutional body.
4. Show the relationship between fiscal and monetary policy.
5. What is the environment analysis?
6. Write feature of Nepalese agriculture.
7. What do you know about the Industrial State and Special Economic Zone (SEZ).
8. Define Cultural Globalization.
9. What do you mean by technology transfer?
10. What is BIMSTEC? List down its any 2 objectives.

Section "B"

Descriptive Answer Questions

Attempt **any six** questions. [6×10]

11. "It is believed that a stable and dynamics political environment is indispensable for business growth.' Discuss critically the statement in present business environment scenario in Nepal.
12. "Privatization is essential part to develop the national economy like Nepal.' Do you agree with this statement? Why or Why not? Justify your answer.
13. How the component of general and operating environment affect the business, explain.
14. Explain the contributions of Nepalese tourism industry to national economy. What are the major problems of tourism industry? What measures are taken by the government to overcome such problems?
15. Is technology essential in business, why? Write how human factor and technology are related to each other.
16. Explain the features of Trade Union Act-1992 and Labour Act-2016.
17. Despite of abundant natural resource and potentiality our country is not able to attract FDI. Delineate the reasons of poor FDI inflow in Nepal.

Section "C"
Case Analysis

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

PROBLEMS AT CHINA AIR LINES

Taiwan, officially known as the Republic of China (ROC), is an island separated from China by the Taiwan Strait. It has been governed independently of mainland China, officially the People's Republic of China (PRC), since 1949. The PRC views the island as a renegade province and vows to eventually "unify" Taiwan with the mainland. In Taiwan, which has its own democratically elected government and is home to twenty-three million people, political leaders have differing views on the island's status and relations with the mainland. Beijing asserts that there is only "one China" and that Taiwan is part of it. It views the PRC as the only legitimate government of China, an approach it calls the One-China principle, and seeks Taiwan's eventual "unification" with the mainland.

Beijing claims that Taiwan is bound by an understanding known as the 1992 Consensus, which was reached between representatives of the Chinese Communist Party (CCP) and the Kuomintang (KMT) party that then ruled Taiwan. However, the two sides don't agree on the content of this so-called consensus, and it was never intended to address the question of Taiwan's legal status.

In January 2010, Taiwan-based full service airline, China Airlines Ltd. (CAL), announced that it had recorded sales of US\$ 358.49 million for the month of December 2009. This was attributed to the increasing cargo sales that offset the losses incurred by the airline in the previous three quarters of financial year (FY) 2009. Founded in 1959, CAL was the flagship carrier of the Republic of China (ROC). However, it was not completely state-owned. The China Aviation Development Foundation (CADF) had a nearly 54 % stake in CAL. The airline faced turbulence in its initial years of operations. Its poor safety record in the 1990s severely tarnished its brand image besides lowering passenger traffic. Analysts felt that faulty pilot recruitment policies, lax maintenance systems, high cost operational structure, inefficient corporate culture, etc. had only added to its troubles. Moreover, the strained political relations between mainland China and Taiwan, which prohibited the airline from launching flights to routes in China, made things worse for it. The airline's mounting problems prompted it to look for ways to restore its image. Its initial efforts were focused on improving its brand image and regaining consumer confidence. CAL adopted various steps over the years to revive its image after several

fatal air disasters happened due to pilot errors and poor maintenance procedures.

The company diligently pursued a policy of retraining pilots and redesigning its safety procedures. From 1949, when the PRC government came to power, till 1979, relations between mainland China and Taiwan had remained practically frozen. Initiatives to relax the tension began from as early as 1979, but restrictive and non-cooperative political relations had mostly dampened the efforts to improve trade and transport between Taiwan and mainland China.

Questions:

- a) Understand how politics could affect the business prospects of an organization.
- b) Analyze the initiatives adopted by China Airlines to restore consumer confidence and bring the company back into profits.
- c) Analyze how China Airlines could benefit from the improvements in cross-strait relations between Taiwan and mainland China.
- d) Explore other ways in which China Airlines can bring the company back into profits.

*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 international banking?
2. What are the methods of fund transfer between two countries through banking system?
3. Describe the swaps.
4. What is the function of SS Huebner Foundation?
5. What are the banking services offered by international banks?
6. Explain causes of exchange rate fluctuation.
7. Define the term "Ageing Problem" in the context of international insurance.
8. Explain the term "insurance penetration" and "insurance density".
9. Write short notes on "Nepal Reinsurance Company".
10. Define Loro and Mirror accounts.

Section "B"

Descriptive Answer Questions

Attempt **any six** questions. [6×10]

11. Explain the given statement "No strategy is perfect for predicting exchange rate trends".
12. Is Llyod's of London an insurance company? Explain the structure of Llyod's alone with its 5 players.
13. How does an international insurance company help to mitigate the risk?
14. Discuss different options of international settlements and its process.
15. Explain the role of reinsurance company in development of national insurance market.
16. How does multinational insurer adopt the risk coping strategies?
17. Discuss the objectives and significance of International Association of Insurance Supervisors (IAIS) and major function of AIRDC.

Section "C"
Case Analysis

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

A summary of the study report published by Finaccord Ltd. in 2013 on Global Bancassurance: Strategies of the World's Top 125 Retail Banking Groups has been presented below.

The report is related to how bank and insurance companies are strategically alliance to promote the insurance products worldwide. The report gain access to a unique information source that will allow everyone to arrive at a rapid understanding of the bancassurance strategies of the world's top 125 retail banking groups. it highlights which groups maintain alliances with insurance providers that can be considered strategic and which work more loosely with a range of providers; it shows whether internationally diversified groups utilise the same insurance partners across multiple countries or whether they formulate their approach at a country-specific level; and it demonstrates which groups are reliant wholly or mainly on captive or joint venture underwriters.

Fifty two of the world's top 125 retail banking groups are classifiable as having a strategic alliance with an external insurance group, 15 of which have more than one strategic partner. Aviva Insurance company (with six) holds the most strategic relationships among the world's top 125 retail banking groups, followed by Allianz, Prudential and Zurich with four each. In total, 45 insurance groups have at least one such strategic alliance. By value of insurance underwritten via captive or joint venture entities, Crédit Agricole is the world's largest bancassurer although by number of countries in which captive or joint venture underwriters are present, BNP Paribas is the most internationally diversified. For either regulatory or strategic reasons, several banking groups are divesting their insurance interests naturally, this throws up opportunities for insurers seeking to increase their exposure to the bancassurance distribution channel.

Questions: [5×4]

- a) Who are benefitted by the above reports? Why?
- b) Why top banks of the world have strategic alliance with the insurers?
- c) Which banks have been succeeded in selling insurance products?
- d) List out the five important conclusion of the report.
- e) What is the status of bancassurance in Nepal?

POKHARA UNIVERSITY

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

Full Marks: 100

Course: Strategic Management

Pass Marks: 45

Time: 3 hrs.

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

Section "A"

Very Short Answer Questions

Attempt all the questions. [10×2]

1. What is strategic surveillance control?
2. Define formality in Strategic Management.
3. Differentiate between mission and vision.
4. What is strategic group mapping? List down its process.
5. Define turn-around strategy.
6. Mention any two roles of leadership in strategy implementation.
7. Define strategic control.
8. Briefly define distinctive competency.
9. Define operationalization of strategy.
10. Give two reasons for R&D in the organizations.

Section "B"

Descriptive Answer Questions

Attempt any six questions. [6×10]

11. How does porter's value chain facilitate the working of the resource-based-view in achieving competitive advantage?
12. Explain the concept of BCG matrix. How is the concept of BCG matrix helpful to manage the portfolio?
13. Write down the suitable marketing and financial functional strategies for a noodle factory operating in Nepalese business environment.
14. What do you mean by strategic control? How does it differ from operational control? Explain with illustration.
15. Define strategic management. Explain, why it is important in the liberalized economy like Nepal using the support of its process?
16. What are the steps that needs to be considered in strategy implementation? And explain the importance of the role of leader in strategy implementation?
17. Give an example of a business organization that uses all functional plannings and explain how they operate strategically.

Section "C"
Case Analysis

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

In 2006, Starbucks, the ubiquitous coffee retailer, closed a decade of outstanding financial performance. Sales had increased from \$697 million to \$7.8 billion, and net profits, from \$36 million to \$540 million. In 2006, Starbucks was earning a return on invested capital of 25.5%, which was impressive by any measure, and the company was forecasted to continue growing earnings and maintain high profits through the end of the decade. How did this come about? Thirty years ago, Starbucks was a single store in Seattle's Pike Place Market selling premium roasted coffee. Today, it is a global roaster and retailer of coffee with more than 12,000 retail stores, some 3,000 of which are to be found in forty countries outside the United States. Starbucks Corporation set out on its current course in the 1980s when the company's director of marketing, Howard Schultz, came back from a trip to Italy enchanted with the Italian coffeehouse experience. Schultz, who later became CEO, persuaded the company's owners to experiment with the coffeehouse format and the Starbucks experience was born. Schultz's basic insight was that people lacked a "third place" between home and work where they could have their own personal time-out, meet with friends, relax, and have a sense of gathering. The business model that evolved out of this was to sell the company's own premium roasted coffee, along with freshly brewed espresso-style coffee beverages, a variety of pastries, coffee accessories, teas, and other products, in a coffeehouse setting. The company devoted, and continues to devote, considerable attention to the design of its stores to create a relaxed, informal, and comfortable atmosphere. Underlying this approach was a belief that Starbucks was selling far more than coffee it was selling an experience. The premium price that Starbucks charged for its coffee reflected this fact. From the outset, Schultz also focused on providing superior customer service in stores. Reasoning that motivated employees provide the best customer service, Starbucks executives developed employee hiring and training programs that were the best in the restaurant industry. Today, all Starbucks employees are required to attend training classes that teach them not only how to make a good cup of coffee but also the service-oriented values of the company. Beyond this, Starbucks provides progressive compensation policies that gave even part-time employees stock option grants and medical benefits a very innovative approach in an industry where most employees are part-time, earn minimum wage, and have no benefits. Unlike many restaurant chains, which expanded very rapidly through franchising arrangements once they established a basic formula that appears to work,

Schultz believed that Starbucks needed to own its stores. Although it had experimented with franchising arrangements in some countries and in some situations in the United States such as at airports, the company still preferred to own its own stores whenever possible. This formula met with spectacular success in the United States, where Starbucks went from obscurity to one of the best-known brands in the country in a decade. As it grew, Starbucks found that it was generating an enormous volume of repeat business.

Today, the average customer comes into a Starbucks store around twenty times a month. The customers themselves are a fairly well-heeled group: their average income is about \$80,000. As the company grew, it started to develop a very sophisticated location strategy. Detailed demographic analysis was used to identify the best locations for Starbucks stores. The company expanded rapidly to capture as many premium locations as possible before its imitators could. Astounding many observers, Starbucks would even sometimes locate stores on opposite corners of the same busy street so that it could capture traffic going in different directions down the street. By 1995, with almost 700 stores across the United States, Starbucks began exploring foreign opportunities. The first stop was Japan, where Starbucks proved that the basic value proposition could be applied to a different cultural setting (there are now 600 stores in Japan). Next, Starbucks embarked on a rapid development strategy in Asia and Europe. By 2001, the magazine Brand channel named Starbucks one of the ten most influential global brands, a position it has held ever since. But this is only the beginning. In October 2006, with 12,000 stores in operation, the company announced that its long term goal was to have 40,000 stores worldwide. Looking forward, it expects 50% of all new store openings to be outside the United States.

Questions:

- a) Identify the resources, capabilities, and distinctive competencies of Starbucks. And explain the barriers to imitation of Starbucks's competitive advantage.
- b) How secure is Starbucks's competitive advantage? Relate it with Porter's five forces model?