

POKHARA UNIVERSITY

Level: Bachelor

Semester: Spring

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. List down any three objectives of tourism policy in Nepal.
2. Enlist the various methods of privatization.
3. What do you understand by intellectual property rights?
4. Write how technology and business are related to each other?
5. Give the full form of SAPTA, SAFTA and BIMSTEC.
6. Write any two features of business environment.
7. Write two issues in technology transfer.
8. List three major functions of WTO.
9. What do you mean by consumer rights? List any 3 consumer rights according to The Consumer Protection Act, 1998.
10. What are the socio-economic performance indicators that can be used for environmental analysis?

Section "B"

Descriptive Answer Questions

Attempt **any six** questions. [6×10]

1. Economic reform was considered the remarkable decision to take Nepalese economy at the current scale. What are the impacts of reforms decision taken in 1990's? Explain.
2. Why remittance is called as a backbone of Nepalese economy? And, what are the upcoming challenges in the Nepalese remittance economy due to the Russia Ukraine war? Explain.
3. Prepare descriptive SWOT analysis of the tourism sector of Nepal and write down the contributions made by the tourism industry in the employment and labor force.
4. Give a descriptive explanation about the political system of Nepal. Briefly mention the indicators that you would use to measure the political risks in Nepal prior to making an investment.
5. Enumerate the relationship between religion and business. How can religious beliefs be used to make better business decisions? Explain.
6. After endorsement of the MCC by Nepal Government, how do you evaluate its impact to the businesses in Nepal? Justify your answer.

17. Elucidate about the opportunities and threats of WTO membership for the Nepalese business.

Section "C"
Case Analysis

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

Tea and Coffee industry in Nepal is growing rapidly due to active participation of the private sector. Now, Nepal is self-sufficient in CTC and organic coffee. There is a huge international market for orthodox tea and coffee. According to Nepal tea and coffee development board, twenty million kg of tea and coffee is produced in the country annually. Out of this, only four million kg of orthodox about 8 million kg of tea and coffee produced in the country is consumed domestically and the rest 12 million kg are exported to various western and Asian countries. The national agriculture research center (NARC) has started research on production of Nepalese variety of tea and coffee. The center which is based at municipality has initiated the research for developing a unique Nepalese brand of tea and coffee that would stand out in the world.

Likewise, after 154 years of tea and coffee cultivation. Nepal's tea and coffee has finally got an international trademark and its own logo in the international market. After numerous attempts of the Nepal tea and coffee development board, organizations associated with tea and coffee production, and experts in the field, Nepalese tea and coffee has received its logo and trademark.

International demand for tea and coffee produced in Nepal was hit hard in Japan, Australia, Europe and USA when a test in Germany few months ago revealed that it contained a harmful chemical called "anthraquinone". However, the situation has improved.

Organic has become a minimum quality acceptable in Asian and western markets. Western customers have started seeking other standards in tea production, such as eco-friendliness and bio-friendliness. In the past few weeks, in tea and coffee producers and traders have been seeking ban on import of non-organic orthodox tea and coffee from Nepalese in their country.

Keeping health issues in mind, some organic tea producers in the country have demanded the government to make all the production of tea and coffee in Nepal. They have argued that these steps not only have health benefits for consumers but also help the economic growth.

However, those in opposition say that move do more harm than good. Organic production takes at least three years to complete. And with the lengthy time, the production can be affected by fertilizers shortage and other challenges, according to non-organic tea and coffee producers.

Frequent strike by the workers, effect of climate change, low labour productivity, poor support from government, high cost of capital, use of modern technologies, competition with Indian tea and coffee and promotion at international market are some of the major issues confronting the Nepalese tea and coffee industries.

Required:

- a) Identify two components of task and general environment each of the Nepalese tea and coffee industry.
- b) What are the opportunities and threats of the Nepalese tea and coffee industries? Give your opinion.
- c) In view of the growing globalization, what strategies should Nepalese tea and coffee industries adopt to remain competitive in the market?
- d) What are your suggestions over making all production of tea and coffee in Nepal?

POKHARA UNIVERSITY

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Programme: BBA-BI

Full Marks: 100

Course: International 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 is International Banking?
2. What do you mean by Specimen Signature Booklets?
3. What do you mean by Locations of Accounts?
4. Define the term "Ageing Problem" in context of international insurance.
5. How international insurance have influence in Nepalese insurance market?
6. What is "Principle of Utmost Good Faith"?
7. What do you mean by Retrocession?
8. What is "Lloyd's of London"?
9. What do you understand by "The Geneva Association"?
10. Define the term Nostro and Vostro a/c.

Section "B"

Descriptive Answer Questions

Attempt **any six** questions. [6×10]

11. Highlight the various services that are being offered by International Banks.
12. What do you mean by credit line? Why corresponding banking meeting viewed as great opportunities?
13. Describe the factors affecting demand and supply of Foreign Exchange.
14. What do you mean by international settlement? Define the process of international settlement.
15. What do mean by Llyod's of London. Explain the details about its structure.
16. What do you mean by Catastrophic Loss in insurance? Briefly explain the Impact of COVID-19 on the insurance industry.
17. What is the role of reinsurance companies? Explain the Risk Coping Strategies of Multinational reinsurance companies.

Section "C"
Case Analysis

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

The COVID-19 outbreak at the end of 2019 poses a severe threat to human safety and survival. The cumulative number of confirmed cases reached 80 million and caused more than 1.8 million deaths. Not only that, but the COVID-19 epidemic has also had a significant impact on the global economy.

Banking sector negatively affected by the pandemic. Firstly, firms that have stopped working miss out on revenues, and therefore might not be able to repay loans. Secondly, banks are negatively affected as bonds and other traded financial instruments have lost value, resulting in further losses for banks. Thirdly, banks are facing increasing demand for credit, as especially firms require additional cash flow to meet their costs even in times of no or reduced revenues. In some cases, this higher demand has presented itself in the drawdown of credit lines by borrowers. Finally, banks face lower non-interest revenues, as there is lower demand for their different services.

Looking at five of the world's most important central banks—those of the United States, the eurozone, Japan, the United Kingdom and Canada—the it was noted that they all deployed the full set of crisis-management policies at their disposal in March and April when the virus first became a global pandemic. Benchmark interest rates had been slashed to near-zero and, in some cases, gone well into the negative zone. Policymakers now have less wiggle room for interest rates, but in most cases, they remain committed to keeping monetary policy as loose as possible until well after normality resumes in terms of growth, inflation and employment. And with low rates, central banks have similarly kept bond yields low, where they will likely remain well after the pandemic is over.

As banks will have a critical role not only during the pandemic containment phase but also during the economic recovery phase, sufficient capitalization will be important as economies will have to reallocate resources across sectors from 'losers' to 'winners. For example, sectors that rely heavily on physical provider-client contact will decline in their importance, while sectors focusing on remote and/or digital service delivery will grow. Banks will have an important role funding the expansion of the winner sectors, but they can only do so if losses incurred on loans to shrinking sectors does not impair their lending capacity.

It is a little too early to make clear predictions about the likely long-run effects of the Covid-19 recession on the banking system. However, as time

goes by, the pandemic starts to renormalize turning into a new normal. Even, some countries in the Asia Pacific commencing a new-normal life, like, China, South Korea, and Singapore. Despite the good news, it seems the grassroots is not fully recovered from the shock. Therefore, we argue that the positive outlook may not give a lot of positive senses and confidence, hence scepticism in the economy persists, especially in economic growth, despite some aspects, such as international banks or financial institutions in Asia set an optimist target.

Questions:

- a) What actions did central banks take during the pandemic?
- b) How is coronavirus affecting the banking sector?
- c) In your view, what needs to be done during the recovery phase?
- d) Highlighting the case, explain the long-term implications of the crisis.

POKHARA UNIVERSITY

Level: Bachelor

Semester: Spring

Year: 2021

Programme: BBA/BI/TT/BCIS/BHCM

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. The figures in the margin indicate full marks.

Section "A"

Very Short Answer Questions

Attempt all the questions. [10×2]

1. Enlist three major dimensions of strategy?
2. Mention any two characteristics of vision.
3. What is retrenchment strategy?
4. What are the essentials of effective implementation?
5. Differentiate between individualism and collectivism.
6. Define benchmarking and list the types.
7. What do you mean by premises control?
8. List three major external factors that can affect an Automobile company's strategy in Nepal.
9. What are the important elements to Institutionalize Strategy in Nepal?
10. Observe an organization with which you are familiar and list out its three distinctive competencies.

Section "B"

Descriptive Answer Questions

Attempt **any six** questions. [6×10]

11. What considerations should business entrepreneurs keep in mind when they are deciding to follow a stability strategy? Explain.
12. Strategic implementation is challenging task in business organizations dealing with a problems of organizational structure, culture, power and authority. Explain with an appropriate example.
13. Goldstar is one of the Nepal's leading Shoes manufacturing companies. The firm has more than 50 product types. These have been developed over a period of its more than 30 years. Some products are very successful while some of them have not performed well. The challenge for the management is formulation of strategy in the way the company manages the portfolio of products. As a qualified consultant, explain what strategic options are available to Gold Star in accordance to the BCG Matrix.
14. What do you mean by strategic management? Explain its importance in modern competitive business environment.
15. Explain Porter's five forces framework of competitive environment with reference to transportation business sector in Nepal.

16. a) Differentiate vision and mission statement with example.
b) List down essential components of a well-defined mission statement

17. What do you mean by value chain analysis? How does a perfect VCA system helps for competitive advantage? Explain.

Section "C"

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

Allo products are selling across the world. Entrepreneurs want Nepal to further cash in on the resources

Pratibha KC runs a school in Pokhara, Nepal's tourism capital. But, two years ago, she also started a company named Nettle Nepal that manufactures clothes, bags and shoes from the allo plant (*Girardinia diversifolia*) threads sourced from districts like Parbat and Rolpa.

"Last year, we used the raw materials worth approximately Rs 5 million. The sale is satisfactory as we had started during the pandemic," KC says, "Our products have a huge market, both within and outside Nepal."

Allofibre apparently has been used for textiles for hundreds of years in Nepal. Of late, this has given a rise to hundreds of allo textile entrepreneurs amid the ever-booming domestic and international markets, and the entrepreneurs say this shall help Nepal establish its additional identity in the world and earn money amid rising imports of other consumables.

Wide possibility

Ganesh Aidi, the vice-chairperson of the National Allo Entrepreneurs Association Nepal, explains the plant commonly known as the Himalayan nettle is found abundantly in over districts that are between 1,200 and 3,000 metres in altitude.

It naturally grows in the moist and sandy soil under the shade of the deciduous forest as a clump having many stems. In terms of processing, it traditionally undergoes phases of cutting the stems, sun-drying, soaking them in the water and extracting them from the stems. Then, the removed barks are boiled with ash and kamero (white mica clay) and red soil. After that, cooked barks are thrashed using a washing paddle and washed with water. This process breaks down or separates the fibre from the barks. Again, the fibre is let to sun-dry.

After completing all these steps, the fibre is ready to be used as the thread for textiles. Allofibre can also be extracted using the machine, according to Aidi who is in business for the past 24 years.

The plants are generally collected from community forests, and its planned cultivation is almost rare as farmers say the naturally available plants are abundant for now, says ThuloKanchha Tamang from Sindupalchok who is

selling these plants to various companies for the past four years. Tamang, who does it as part-time work says, "I get around Rs 120 per kg and I sell about two tons of the plants annually."

Export worth billions

As per the statistics of the National Allo Entrepreneurs Association Nepal, 8.39 million kg of the allofibre can be generated in Nepal every year, but only 2.68 million kg is being used currently. That fibre has been converted into around one million kg of handmade threats. There are around 190 businesses and 5,270 households directly benefitting from the sector. More than 2,200 products including garments, bags, carpets, purses, and shoes can be manufactured from the allofibre, says Aidi, whose company has been producing more than 300 varieties of products regularly.

Most of these businesses are also involved in exports. "Our association has planned to collect and sell about 400,000 kg raw materials this year, among which, half will be exported and a half to be sold within the country itself. We are also working on establishing outlets in 27 districts," says Aidi.

Further, last fiscal year (2020/21), products made from 200,000 kg of raw materials worth Rs 1.5 billion were exported to over 70 countries including the USA, Japan, Germany, and Canada.

Challenges to address

The growing allo business has brought positive changes to the lives of many people engaged in this industry, ranging from collectors to manufacturers and retailers. But, there still lie some hurdles to cope with, says Aidi.

The main challenge is to compete with machine-made products and there also comes difficulty in sourcing raw materials, says Pratibha KC from Pokhara.

Besides, Aidi thinks that the majority of manufacturers and customers are limited to Kathmandu only. Therefore, the reach and access to the products need to be broadened. Transportation is the major challenge, observes Aidi. "A kg of raw material costs Rs 35 in Mugu. However, the same raw material is bought in Kathmandu at Rs 180 per kg owing to the transport cost. In such a scenario, the government should extend support to share the transportation cost."

Besides, the government also should ease the process of getting subsidies and loans and consider supporting investment in modern allo processing machines for the growth of this industry, he adds.

Questions:

- a) Explain the external environmental issues related with the case of allofibre and its market.
- b) Prepare SWOT analysis of Nettle Nepal- start up company established by Pratibha KC.

c) Which corporate level strategy would be best to implement for growth of the industry? Support your answer with reference to Grand strategies.

d) How can Nepali products compete in international market? Provide your recommendations that could be implemented by government at country level.