

POKHARA UNIVERSITY

Level: Bachelor

Semester: Fall

Year: 2024

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. Define the term environmental scanning.
2. What do you mean by command economy?
3. Write two differences between B2B and G2G?
4. Define regional economic group.
5. Mention two differences between fiscal and monetary policy.
6. Outline four different types of political risks in context of Nepal.
7. Write two differences between copyright and patent right.
8. Differentiate between SAPTA and SAFTA.
9. Mention two negative impacts of technology in business.
10. Write the concept of Social Organizations.

Section “B”

Descriptive Answer Questions

Attempt **any six** questions. [6×10]

11. Define the business environment. Explain the ongoing business issues in context of Nepal.
12. Define globalization. Explain the role of BIMSTEC to promote active collaboration and mutual assistance for Nepalese business organization.
13. Explain the roles of government for the promotion of business in the country.
14. Outline the major provision of current Foreign Investment Act of Nepal. Despite of the implementation of this act, Why the country not able to attract the desirable foreign investment in the country? Explain.
15. Explain any five emerging socio-cultural changes and it effects in Nepal.
16. What is privatization? Explain the methods of privatization used by government of Nepal under the privatization process.
17. What are the major issues of Nepalese agriculture sector? Explain.

Section “C”
Case Analysis

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

Nepal's manufacturing sector plays a critical role in the country's economic development. However, businesses in this sector face numerous challenges due to the complex and volatile business environment. Issues such as limited infrastructure, political instability, supply chain disruptions, and the push for sustainability are key factors shaping the sector's trajectory. This case study focuses on a Nepalese manufacturing company, **Himalayan Plastics Pvt. Ltd.**, analyzing how it navigates contemporary challenges while exploring strategies to sustain growth and profitability. Nepal's manufacturing sector contributes approximately **14% to the national GDP** and provides employment to thousands. Dominated by small and medium enterprises (SMEs), the sector is heavily reliant on imports for raw materials. Infrastructure bottlenecks, such as poor road networks and unreliable electricity supply, exacerbate operational challenges.

Key challenges in Nepal's business environment include:

- **Dependence on Imports:** Over 60% of raw materials used in manufacturing are imported, making companies vulnerable to currency fluctuations and global trade disruptions.
- **Energy Issues:** Although Nepal is rich in hydropower potential, power outages and inconsistent supply remain problems for manufacturers.
- **Policy Instability:** Frequent changes in government policies create uncertainties for businesses, particularly regarding tax regulations and foreign investment.

Himalayan Plastics, based in Kathmandu, specializes in the production of plastic goods for domestic and international markets. The company has been operational for over 15 years, employing around 150 workers. Its main products include household items, packaging materials, and industrial-grade plastic sheets.

In recent years, the company has faced a series of challenges:

- **Supply Chain Disruptions:** The COVID-19 pandemic disrupted the import of raw materials from India and China, leading to delays in production.
- **Environmental Regulations:** Growing awareness of plastic pollution and stricter government regulations have pressured the company to adopt more sustainable practices.

- **Economic Pressures:** Rising inflation and increasing transportation costs have squeezed profit margins, forcing the company to re-evaluate its pricing strategy.
- **Workforce Issues:** The company relies heavily on manual labor, but a growing skills gap and labor migration to Gulf countries have created challenges in hiring and retaining skilled workers. Automation could address these issues, but it requires significant investment, which is difficult given the current financial constraints.

While challenges persist, Himalayan Plastics has made significant progress in adapting to the evolving business environment. By diversifying supply chains, the company has reduced dependency on a single region, ensuring uninterrupted production. Its focus on sustainability has improved its brand image, attracting eco-conscious customers. Automation has enhanced productivity, allowing the company to scale operations without significantly increasing costs. However, challenges remain, particularly in managing financial constraints and meeting sustainability targets. The company continues to explore partnerships and seek government support to overcome these hurdles.

Questions:

- a. What are the key factors influencing the business environment in Nepal's manufacturing sector? [6]
- b. Discuss the role of government policy in shaping the future of Nepal's manufacturing sector. [6]
- c. What changes would you recommend to support businesses? [8]

POKHARA UNIVERSITY

Level: Bachelor

Semester: Fall

Year: 2024

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. Define International Banking.
2. What is a Cross Rate?
3. Differentiate between mirror account and Nostro accounts.
4. Provide an example of direct and indirect quote.
5. Give some suitable examples of cross border activities in insurance.
6. Differentiate between insurance density and insurance penetration.
7. What are the current risks faced by insurance companies in global context?
8. List out some global risks faced by insurance industries.
9. Explain in short “Lloyd’s of London”.
10. Write importance of international association for insurance.

Section “B”

Descriptive Answer Questions

Attempt **any six** questions. [6×10]

11. Discuss correspondent banking model.
12. Describe the process of funds transfer in international banking.
13. Describe various services offered by International Banks.
14. Explain different causes of exchange rate fluctuation.
15. Highlight various issues in international insurance market.
16. How is the aging population, driven by medical advancements and population growth, impacting life insurance companies, and what measures can address this issue?
17. What is the role of multinational insurance companies in the Nepalese insurance market, and how do they contribute to risk mitigation in the country?

Section “C”
Case Analysis

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

International remittance faces numerous challenges that hinder its full potential. One major obstacle is the difficulty in accurately measuring remittances, especially informal flows. Many remittances pass through unofficial channels like Hundi systems and online transfers, making it hard to track them statistically. This lack of precise data leads to underestimation of total remittance flows and limits policymakers' ability to develop effective strategies for remittance-dependent economies.

Another critical challenge is the high transaction costs associated with traditional remittance methods. These costs can range from 7-10% of the transferred amount, eating into the actual money received by recipients. High fees discourage the use of formal channels and push many migrants towards informal, riskier options. Additionally, regulatory differences between countries create barriers to seamless cross-border payments. Some countries have restrictive exchange rate regimes, encouraging parallel markets and informal channels. The lack of standardized data collection and reporting systems makes it challenging for policymakers to assess the impact of remittances on local economies. This deficiency hampers efforts to develop targeted policies and interventions to maximize the benefits of remittances. Furthermore, technological limitations in some regions restrict access to efficient and cost-effective remittance services, exacerbating existing inequalities.

Security concerns remain a significant challenge in the remittance sector. With the rise of digital payments, there is an increased risk of cybercrime and fraud. This threat can deter users from adopting modern remittance channels, potentially slowing down the transition away from costly and inefficient traditional methods. Another challenge is the complexity of cross-border transactions, which often involve multiple parties and jurisdictions. This complexity increases transaction costs and reduces efficiency, making remittances more expensive than necessary. Additionally, the lack of interoperability between different financial systems across countries hinders the seamless transfer of funds. Lastly, the volatility of exchange rates in many developing countries adds another layer of complexity to international remittance. Fluctuations in currency values can significantly reduce the purchasing power of remitted funds, making it

challenging for recipients to maintain their standard of living despite receiving money from abroad.

Questions:

- a. Discuss challenges faced in international remittance / payment.
- b. Explain how does these challenges to the country.
- c. Describe the role of central bank to eradicate the challenges faced in international remittance/payments.
- d. Due to the invent of technology, how the risk can be mitigated of international remittance?

POKHARA UNIVERSITY

Level: Bachelor

Semester: Fall

Year: 2024

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

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. List out any two characteristics of strategic management.
2. What are the components of mission statement?
3. Differentiate between business level strategy and corporate level strategy?
4. Define the term benchmarking.
5. What is resource based view approach?
6. What do you mean by backward integration?
7. Define product development.
8. Mention four components of the BCG matrix.
9. List out two reasons for forming strategic alliance.
10. Explain premise control in strategic management.

Section “B”

Descriptive Answer Questions

Attempt **any six** questions. [6×10]

11. Describe strategic management. Explain the significance of strategic management in today's competitive environment.
12. Scan the present environment of five star hotel industry with the help of SWOT. Based on your findings what need to be done for improvement? Explain.
13. How do you explain strategic group mapping helps to analyze industry and competitive analysis? Explain with example.
14. In what way well-defined value chain analysis helps to achieve cost leadership strategy in the competitive market? Justify with suitable example.
15. Discuss functional strategies and its strategic importance for strategic planning and implementation.
16. Why implementation of firm's strategy is tough job in today's market? Explain.
17. What are the limitations of BCG matrix? Explain why GE nine cell matrix

is superior to BCG matrix.

Section “C”

Case Analysis

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

Case: IBM

IBM is one of the largest companies in the world with annual sales exceeding \$ 60 billion, and a workforce worldwide of over 400,000 people. IBM provides a range of products that are sold in a wide variety of markets. It controls 40% of the world market for computing equipment. The company is acknowledged to be one of the best managed companies in the world despite the problems it faced in recent years. The company obviously does a number of things correctly and it is this that has contributed to the success of the company. The following describes some of the qualities that make IBM the leader in its field.

Employee behavior at IBM is the product of its founder’s philosophy. Thomas Watson, the founder had rules for almost everything. Dark business suits, white shirt and striped ties were the “uniform”. Drinking alcoholic beverages even off the job was prohibited. Employees were accepted to accept frequent transfers. Insiders liked to say that IBM stood for “ I’ve Been Moved ”. Today the rules are still a bit less severe, but the conservative image is still there. Male sales personnel are expected to wear suits and ties when meeting customers, but shirts no longer have to be white. When entertaining customers, IBM people are still not allowed to drink alcohol. All employees are also subject to a 32 page code of business ethics.

IBM has always demonstrated a strong commitment to its employees. People get fired but layoffs are avoided. Redundant employees are retrained and reassigned. Commitment also has to flow from the employees to the company. IBM carefully screens job candidates to identify those who will grow with the company. New employees are expected to spend their working careers with IBM. Of course it does not always work that way. Many employees leave voluntarily. The computer industry is largely made up of former IBM-ers. They fill senior executive slots in many of its competitors, and former IBM executives are frequently the corporate decision-makers who choose which computer systems will be installed in their company.

Salary and benefits are highly competitive. In several communities, IBM has its own country clubs for its employees for free. This concern for employees has led to a strongly committed work force and the workforce does not have a union. Part of IBM’s success is also undoubtedly

attributable to its commitment to service. Its sales personnel are the envy of the industry. They are thoroughly trained and highly knowledgeable. Managers are required to take at least 40 hours of instruction each year. IBM's customers are confident of the advice given to them by the IBM sales force. The commitment to service is customer focused. IBM spends a lot of money to acquire up-to-date market research data identifying customer needs. In contrast to many of its competitors that have allowed technology to drive the product line, IBM has sought to let customers determine what will produce and sell.

Questions:

- a. How do you evaluate IBM's rigid culture allow it to compete effectively? Why or why not? [10]
- b. What are IBM's strengths that it could tap to regain leadership in the field of technology and the market place? [10]