

POKHARA UNIVERSITY

Level: Bachelor

Semester: Spring

Year: 2025

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. Enlist the four components of task environment.
2. Differentiate between monetary policy and fiscal policy.
3. List out any four export-oriented industries of Nepal.
4. What do you mean by repatriation facility.
5. List any four consumer rights according to the Consumer Protection Act, 1998.
6. What are the components of the technological environment?
7. List any two major issues in Nepal's industrial sector today.
8. What is the role of the Department of Industry in Nepal?
9. State two impacts of globalization on Nepalese businesses.
10. Mention two effects of liberalization on Nepal's financial market.

Section "B"

Descriptive Answer Questions

Attempt **any six** questions. [6×10]

11. Discuss the framework of business environment. How does it guide strategic management decisions?
12. Explain in brief about the economic dimensions and its impact on business.
13. Explain the different forms of privatization in Nepal. How do you see the effect of a privatization in country like Nepal? Explain.
14. Mention and explain briefly the major factors that affect the agriculture development in Nepal? Also, discuss the alternative solutions to mitigate this situation?
15. "Nepal's regulatory environment has improved, but implementation challenges persist." Comment with examples.
16. "A business organization must aware of the society's performance as well as social values, beliefs, and practices." Justify this statement with suitable examples.
17. "Business and technology are two inseparable and complementary to each other". In the light of this statement explain the impact of technology in Nepalese business.

Section “C”
Case Analysis

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

Agro Harvest Nepal Pvt. Ltd. is a mid-sized Agro-processing company based in Lumbini Province. Established in 2018, the company focuses on processing organic turmeric, ginger, and honey, exporting to India and selected European markets. In recent years, the firm has experienced rapid growth due to increasing awareness of organic products and government support for agricultural exports. New trade liberalization policies, reduced tariff barriers, and Nepal’s access to regional trade blocs like BIMSTEC have provided opportunities to enter new markets.

Encouraged by these prospects, the management plans to expand its operations by investing in new processing equipment, solar-powered cold storage, and digital tracking systems for supply chain transparency. However, the firm faces critical challenges that could affect its growth trajectory. The inconsistent energy supply disrupts production, and frequent load-shedding increases reliance on diesel generators raising costs and affecting the firm’s carbon-neutral branding.

Additionally, the company struggles with a shortage of skilled labor in rural areas, high employee turnover, and unclear provisions in labor regulations. Navigating multiple layers of government approvals especially in matters related to land use, environmental compliance, and import of specialized machinery has delayed their expansion timeline.

With a general election on the horizon, the management is uncertain about potential changes in trade policies, agricultural subsidies, and regulatory priorities. The leadership team must strategically address these uncertainties while leveraging the favorable global market for organic products.

Questions:

- a. Identify and explain three components of the business environment affecting this firm. [7]
- b. Analyze how political and technological environments could influence the firm’s operations. [7]
- c. Recommend strategic actions the company could take to mitigate risks and leverage emerging opportunities. [6]

POKHARA UNIVERSITY

Level: Bachelor

Semester: Spring

Year: 2025

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 the international banking.
2. Mention about cross border activities of insurance.
3. What do you mean by Telegraphic Transfer (TT)?
4. What is a signature booklet?
5. Define nostro and vostro accounts with examples.
6. What do you mean by global risk?
7. Briefly explain about the Lloyd's of London.
8. Differentiate between cross rate and quotation rate.
9. How the penetration and density of insurance is calculated?
10. Shortly write the five objectives of IAIS.

Section “B”

Descriptive Answer Questions

Attempt **any six** questions. [6×10]

11. Explain the various services offered by international banks. Give six challenges they are facing. [7+3]
12. What is corresponding Banking? Describe any two techniques used by banks to authenticate message. [3+7]
13. Mention six risk coping strategies of Reinsurance companies.
14. Explain about the factors influencing currency exchange rate of any country.
15. What do you mean by international settlement? Describe the process of international settlement system. [2+8]
16. “Nepalese insurance market is heavily influenced by foreign insurers, international forum and society” Support this statement with evidences.
17. What is the need and importance of international organizations in insurance industry? Explain the major scope and functions of Geneva Association. [6+4]

Section “C”
Case Analysis

18. *Read the case situation given below and answer the questions that follow:* [20]
Global Bank Inc. (GBI), a mid-sized bank operating in a developing economy, has traditionally relied on correspondent banking relationships with larger international banks to facilitate cross-border transactions for its clients. However, over the past three years, GBI has lost three of its five key correspondent banking partners. The remaining two have imposed stricter due diligence requirements and higher fees, citing concerns over anti-money laundering (AML) risks and the rising cost of regulatory compliance. This has significantly disrupted GBI's ability to process international wire transfers, trade finance transactions, and remittances efficiently, putting its corporate clients and migrant worker customers at a disadvantage.

The withdrawal of correspondent banks stems from global "de-risking" trends, where large financial institutions exit relationships with smaller banks in jurisdictions perceived as high-risk to avoid regulatory penalties. For GBI, this has led to increased transaction costs, slower processing times, and reputational damage. Some clients have already shifted to competitors with stronger correspondent networks, while others face payment delays of up to a week for previously next-day transfers. The bank's foreign exchange operations have also suffered, as correspondent banks now require pre-approval for USD transactions, creating liquidity bottlenecks.

GBI's management must now decide whether to invest heavily in compliance upgrades to reassure correspondent banks or seek alternative solutions. Strengthening AML controls would require hiring specialized staff, implementing AI-driven transaction monitoring, and conducting independent audits—costing an estimated \$2 million annually. Alternatively, GBI could explore fintech partnerships, such as blockchain-based settlement networks or digital correspondent banking platforms, though these options come with regulatory uncertainty. A third path would involve lobbying local regulators to negotiate reciprocal agreements with foreign banks, but this could take years to yield results.

Questions:

- a. Why are correspondent banks cutting ties with smaller banks like GBI?
- b. How can GBI improve its AML/CFT compliance to retain correspondent relationships?
- c. What alternatives (e.g., fintech, blockchain) could replace traditional correspondent banking?
- d. Should regulators intervene to prevent financial exclusion caused by de-risking? If yes how could that help?

POKHARA UNIVERSITY

Level: Bachelor

Semester: Spring

Year: 2025

Programme: BBA/BBA-BI/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. Explain any two characteristics of strategic management.
2. Define strategic intent.
3. Write about unique resources.
4. Enlist any two conditions of success of cost leadership strategy.
5. Suggest the condition in which growth strategy of business can be suitable.
6. What do you mean by monitoring competition?
7. Differentiate between concentric and conglomerate diversification.
8. What do you mean by strategic implementation?
9. What is strategic surveillance?
10. Write short notes on budgeting and resource allocation.

Section "B"

Descriptive Answer Questions

Attempt **any six** questions. [6×10]

11. Describe the significance of strategic vision for the future prosperity of an organization.
12. How do political and legal factors influence the strategy formulation of an organization? Explain with examples.
13. What do you mean by strategic control? Write about different types of strategic control.
14. What is Porter's Five Forces Model? How do these forces shape the competitive position in the industry at the current changing scenario such as development of smart connected product?
15. Explain the concept of strategic leadership. Discuss the key roles and responsibilities of strategic leaders in the successful implementation of strategy.
16. Explain how an organization implements growth and expansion strategy with suitable example.
17. Do you agree that studying strategic management is important for student of business management? Justify.

Section “C”
Case Analysis

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

Nepal Eco Motors (NEM) is a fast-growing domestic electric vehicle (EV) manufacturer based in Kathmandu. Launched in 2076 B.S., the company initially focused on small e-cars for urban commuting and now offers a range of EV products including scooters, three-wheelers, and commercial vans.

Due to rising global fuel prices, frequent fuel shortages in Nepal, and increasing environmental awareness, demand for EVs has grown significantly. In response, the Government of Nepal has introduced several EV-friendly policies such as customs duty exemptions, VAT discounts, and registration rebates to encourage EV production and consumption. Additionally, the country has signed international climate agreements and imposed stricter environmental regulations on fuel-based vehicle imports.

Despite this opportunity, NEM faces challenges. The economic environment remains unstable, with rising inflation and fluctuating exchange rates affecting the cost of imported components. Technologically, Nepal still lags behind in EV battery production and R&D capabilities. The charging infrastructure in Nepal is insufficient and largely limited to Kathmandu Valley. Culturally, urban consumers are more receptive to sustainable mobility, but rural populations still distrust EV performance and availability of maintenance services.

On the competitive front, NEM faces intense rivalry from global brands like Tata, BYD, and MG, which offer technologically superior EVs, strong brand value, and attractive financing options.

In light of these challenges, NEM has developed several strategic options: Expand sales into semi-urban and rural areas using mobile service units and awareness campaigns. Develop affordable e-bikes suitable for students and rural consumers with high mileage and longer battery life. Partner with a Chinese lithium-ion battery manufacturer to improve battery efficiency and reduce dependency on imports.

To support investment planning, NEM's management is using the BCG matrix. Its e-scooter line is classified as a "Star", while its commercial van line (with limited market share) is viewed as a "Question Mark". The company is debating whether to invest more in vans or divest from that line.

Questions:

- a. Based on PEST analysis, which two external factors most significantly impact the company's strategic choices and why? [5]
- b. Conduct value chain analysis to identify the competitive positions of NEM. In your opinion, which activity of value chain provides more competitive advantages? Why? [10]
- c. Using the BCG Matrix, NEM categorizes its e-scooter as a “Star” and its van as a “Question Mark.” What strategic actions should NEM take for each? [5]