

# **Faculty of Management**

## **Bachelor of Business Studies Program (BBS)**

### **Curriculum**



**Office of the Dean  
Faculty of Management  
Tribhuvan University  
Kathmandu, Nepal**

**2013**

# **Bachelor of Business Studies Programme**

## **(4 -Year BBS)**



**Office of the Dean**  
**Faculty of Management**  
**Tribhuvan University**  
**[www.fomecd.edu.np](http://www.fomecd.edu.np)**

## **Faculty of Management**

The Faculty of Management (FOM), Tribhuvan University has its ultimate objective of educating students for professional pursuits in business, industry and government. It is further dedicated to contributing to an increase in the knowledge and understanding of business and public administration. FOM aims to develop a networking with management institutes in the country and abroad to exchange new knowledge, technology, and methods of achieving higher level efficiency in management of business and public entities. It also aims to continuously innovate and promote cost-effective, socially relevant, modern technology based educational programs in Nepal.

The FOM offers instructions leading to Bachelor of Business Studies (BBS-4years annual system) , Bachelor of Travel and Tourism Management (BTTM), Bachelor of Hotel Management (BHM), Bachelor of Information Management (BIM), Bachelor of Business Management (BBM), Bachelor of Public Administration (BPA), Post Graduate Diploma in Police Sciences (PGDPS), Master of Business Management (MBM), Master of Business Studies (MBS), Master of Public Administration (MPA), Master of Travel and Tourism Management (MTTM), Master of Hospitality Management (MHM), Master of Finance and Control, Master of Business Administration (MBA) and Master of Business Administration in Global Leadership and Management (MBA-GLM). The FOM also offers Master of Philosophy in Management (M Phil) and doctoral program in management leading to a Degree of Doctor of Philosophy (Ph D).

### **FOM's GOALS**

- Prepare professional managers capable of handling business in a dynamic global environment.
- Produce socially responsible and creative entrepreneurs capable of promoting business and industry for the socio-economic development of Nepal.
- Conduct research and management development programs for updating the knowledge and skill base of academics and practicing managers.
- Innovate and promote management programs catering to the various social and economic sectors of Nepal.
- Establish linkages with leading universities and management institutes abroad and collaborate with them in program development and implementation.

# **Bachelor of Business Studies (BBS)**

## **Programme Objective**

The objective of the BBS programme at the FOM is to develop students into competent managers for any sector of organized activity. The programme is based on the principle that graduates will spend a major portion of their life in a constantly changing environment. Therefore, the student should have an opportunity to obtain a broad knowledge of the concepts and reality- based skills underlying the operation and management of organizations. Upon graduation, students should be equipped to function as a manager in business, industry and government. The graduate should also have a variety of career opportunities in different sectors of business including entrepreneurship and create much needed jobs for others.

## **The BBS programme specially attempts to:**

1. Equip the students with the required conceptual knowledge of business and administration to develop a general management perspective in them.
2. Develop required attitudes, abilities and practical skill in students, which constitute a foundation for their growth into competent and responsible business managers.
3. Encourage entrepreneurial capabilities in students to make them effective change agents in the Nepalese society.
4. Develop necessary foundation for higher studies in management and thereafter take up careers in teaching, research and consultancy.

## **Curricular Structure**

The FOM recognizes the need for both breadth and depth in the total academic pattern. Therefore, the curriculum for BBS degree comprises four separate and distinct course components:

1. A strong foundation allied areas of business such as language, economic analysis, legal environment and quantitative method to prepare graduates to understand, analyze and comprehend the management concepts, theories and practices.
2. Core business studies encompassing and integrating all functional areas to provide graduates with and appreciation of the diversity and inter-relationship of business and management issues.
3. The opportunity to concentrate in one area of specialization such as accounting, finance, human resources management and marketing in order to provide graduates with some degree of functional expertise.

## **Course Composition**

### **The Fourth Year Programme**

In fourth year, the students are encouraged to focus on a particular functional and concentration area of business studies. Building on the foundation laid in the first, second and third years, the principal mission of the fourth year twofold:

- 1) To enable the students to concentrate in one functional areas of business. FOM offers four stream of concentration courses:
  - a) Accounting
  - b) Finance
  - c) Management
  - d) Marketing
- 2) To provide opportunity to students to engage in research and final project presentation.

**Fourth Year (500)**

MGT 220: Entrepreneurship and Enterprise Development	100
Concentration I	100
Concentration II	100
Concentration III	100
MGT 221: Business Research Methods	50
MGT 401: Final Project	50

## **MGT220: Entrepreneurship and Enterprise Development**

**Full Marks: 100****Pass Marks: 35****Lecture Hours: 150****Course Objective**

This course aims at familiarizing students with the significance of entrepreneurship and enterprise development, the role and functions of entrepreneurship and entrepreneurs, the concept of women entrepreneurship, the factors affecting entrepreneurship development, and the need for institutional support in entrepreneurship development.

**Course Description**

This course contains introduction, women entrepreneurship, growth of entrepreneurship, entrepreneurship competency development, entrepreneurial venture creation, Legal Issues of Entrepreneurial Venture, Institutional Support to Entrepreneurship Development.

**Course Details****Unit 1: Introduction****LH 30**

Concept and Significance of entrepreneurship; entrepreneurship importance, entrepreneurial process; entrepreneur, and entrepreneurial venture; Types of entrepreneurship; Traits of an entrepreneur; Distinction among entrepreneur, entrepreneur and owner-manager; Functions of an entrepreneur; Small business vs. entrepreneurship; Entrepreneurial motivation, the entrepreneurial process, entrepreneurship vs. intrapreneurship, managerial and intrapreneurial decision making, corporate vs. entrepreneurial culture, intrapreneurial leadership characteristics, the individual entrepreneur, entrepreneurial feelings, male vs. female entrepreneurship, entrepreneur vs. inventors.

**Unit 2: Women entrepreneurship****LH 12**

Concept of women entrepreneurship; Women empowerment through entrepreneurship; Women entrepreneurship in Nepal; Problems of women entrepreneurship; Future challenges of women entrepreneurs and their success factors.

**Unit 3: Growth of Entrepreneurship****LH 15**

The concept of socio-economic growth; Factors affecting entrepreneurial growth; Rural entrepreneurship – types, problems and factors affecting rural entrepreneurship; Tourism entrepreneurship – types, problems and factors affecting tourism entrepreneurship; Emerging concepts in entrepreneurship growth.

**Unit 4: Entrepreneurship Competency Development (ECD)****LH 13**

Concept of entrepreneurial competency; Need for Entrepreneurial competency development (ECD); Entrepreneurial competency development programs (ECDPs); Phases of ECDPs; Evaluation of ECDPs; Different institutions and agencies operating ECDPs in Nepal.

**Unit 5: Entrepreneurial Venture Creation****LH 30**

Idea generation; identifying and recognizing opportunities, personal characteristics of a entrepreneur, techniques for generating ideas, encouraging and protecting ideas; Preparing business plan – concept and scope, significance and elements; presenting the business plan, financial information needs, using the

Internet as a resource pool, writing a business plan,: industry analysis, marketing research, understanding the marketing plan, characteristics of a marketing plan, steps in preparing marketing plan, Venture creation – venture project formulation, implementation and evaluation; choosing a format of business organization: sole proprietorship, partnership, corporation, limited liability company, developing enterprise in Nepal- legal and ethical considerations.

**Unit 6: Legal Issues of Entrepreneurial Venture****LH 10**

Legal requirements for venture creation – legal structures, venture registration, PAN and VAT registration, obtaining intellectual property rights, contract laws, labor laws and environmental laws.

**Unit 7: Financing of Entrepreneurial Venture****LH 10**

Need for financial planning; Sources of finance for entrepreneurial ventures – angel investors and venture capitalists; Types of financing – equity and debt; Sources of short-term loans for ventures.

**Unit 8: Institutional Support to Entrepreneurship Development****LH 30**

Institutional support – concept and need; Financial support agencies – Rural Development Banks, micro finance institutions, commercial banks; micro enterprise development projects and programs; Logistic support agencies - government, specialized and consultancy agencies; Industrial estates , Role of Government in promoting entrepreneurship incentives, subsidies and grants. Export oriented units-Fiscal and Tax concession, role of financial institutes in the entrepreneurship development in Nepal. Introduction to Entrepreneurship Development Projects in Nepal with reference to IED, MEDEP and ELAM. (MEDEP,-ELAM).

**Text and References**

Khanka, S.S., *Entrepreneurial Development*. New Delhi: S. Chand & Company

Barringer, B.R. & Ireland, R.D. *Entrepreneurship: Successfully Launching New Venture*. New Delhi: Pearson

Hisrich, R.D., Manimala, M. J., Peters, M.P. and Shepherd, D.A. *Entrepreneurship*, New Delhi: McGraw-Hill Education (India) Pvt. Ltd.

Agrawal, G.R., *Entrepreneurship Development in Nepal*. Kathmandu: M.K. Publishers

Shrestha, P., *Entrepreneurship Development*. Kathmandu: Samjhana Publication Pvt. Ltd.

Joshi, S., *Entrepreneurship Development* (Nepali). Kathmandu: Taleju Prakashan,



# MGT 221: Business Research Methods

*Full Marks: 50*

**Lecture Hours: 75**

## **Course Objectives**

The primary aim of this course is to introduce students to the principle of research methods used most frequently by business students. Basic knowledge of these methodological approaches is absolutely critical to the comprehension of academic understanding and comprehensive and critical writing which is an essence of business students. Therefore, the basic objective of this course is to provide knowledge and understanding of basic principles of business research methods.

## **Course Description**

The course has a preliminary focus on problem identification, theoretical framework development and hypothesis formulation. The course will then deal with research design issues, measurement, sampling, data collection and analysis. This encompasses the overall understanding and application of appropriate research techniques and research statistics, and report writing and presentation skills.

## **Course Details**

### **Unit 1: Introduction**

**LH 20**

Meaning of research; Scientific research – features,; Types of research: applied and basic; The scientific research process; Approaches to research; Paradigm shifts – positivist Vs interpretivist philosophies; Management research – concept, nature, and value in business decision making; Applying scientific thinking to management problems; Ethical concerns in research.

**Qualitative research:** Concept, Features, assumptions, Common practices in qualitative research, Methods of qualitative research: Case study, Ethnography, Grounded theory and phenomenological study (A short introduction only), Building trustworthiness and credibility in qualitative research, Strength of qualitative research.

### **Unit 2: Literature searching and Theoretical Framework**

**LH 10**

Concept, purposes, Kinds and writing a literature survey; Literature search through the Internet; Relation of literature to research. Theoretical framework; Theory and research; Research approaches – deduction and induction; Research problem; Identification of research problem in business. Research questions, hypothesis formulation and role of hypothesis in research.

### **Unit 3: Research Design**

**LH 5**

Concept, Features Types – descriptive, developmental, case studies, causal-comparative, experimental, cross-sectional and longitudinal. Basic principles of research design and criteria of a good research design.

### **Unit 4: Measurement, Scaling and Sampling**

**LH 12**

Variables and their types; Nature of measurement; Scale construction for attitude measurement; Scales commonly used in business research; Validity and reliability of measurement; Sources of measurement problems; Concept of population, sample and sampling, Factors affecting the size of the sample, The

sampling process; Types of samples – probability and non-probability sampling; Sampling and non-sampling errors.

### **Unit 5: Data Collection and Analysis**

**LH 20**

Types of data: primary and secondary, value of secondary data to business research, Primary data, Methods of collecting primary data : **Questionnaires** – design, components and principles of questionnaire writing, pilot testing and questionnaire administration; **The research interviews** – face-to-face and telephone interviews, computer assisted interviewing; **Observation** – concept and methods – participative and non-participative; Data analysis – organizing and preparing data; Presenting data in tables, graphs and charts; Pre-conditions and the use of statistical techniques:– descriptive: (Mean, Median, Mode and standard deviation) and inferential statistics (Measures of correlation, statistical significance, basic forecasting tools, regression, one way ANOVA and chi-square test); Statistical testing of hypothesis; Methods of collecting and analyzing qualitative data. Role of computers in different phases of research. Qualitative data analysis- content , thematic and narrative.

### **Unit 6: Research Proposal and Report Writing**

**LH 8**

Topic selection; Research proposal – purpose, types and structure; Writing research reports – the reporting process, Contents of the research report, and style of writing; Typing and layout of the research report; Citations and references by using APA format; Essentials of a good research report.

### **Basic Books**

Prem P.R., *Fundamentals of Business Research Methods*, Kathmandu.: Buddha Academic Enterprises.

Adhikari, D. R. & Pandey, D. L. *Research Methodology for Management*, Kathmandu: Asmita Books Publishers & Distributors (p) Ltd.

### **Reference Books**

William G. Z., *Business Research Methods*, New Delhi: Thomson India.

Alan Bryman & Emma Bell. *Business Research Methods*, New Delhi: Oxford University Press.

Cooper, D. R., Schindler, P. S. & Sharma, J. K. *Business Research Methods*, New Delhi: McGraw Hill Education (India).

### **Final Project Work**

The education of future manager will be incomplete without exposure to organizational reality. Therefore, the final project work is made an essential academic requirement for the fourth year students in all concentration courses. To write a project work students will undergo a field work and spend four weeks studying and learning from the organization during the time fixed by the campus/college. After the field work, the student will write a project report on the format prescribed by the FOM and submit it to the college/campus for evaluation. The student may also be asked to present the report to the general class and/ or faculty members. The evaluation of the report will be made by a team of external and internal examiners appointed by the by the Research department of the respective campus/ college. The project work should relate to the student's specialization.

The student must complete the prescribed number of hours of practical work in all courses requiring such work to the satisfaction of the concerned department. The final practical examination will be conducted jointly by team of external and internal examiners appointed by the office of controller of examinations.

A student will have to pass the theoretical, practical and project work examinations separately in all the courses having theoretical, project work and or practical components.

# ACC 250: Accounting for Banking

*Lecture Hours: 150*

*Full Marks: 100*

*Pass Marks: 35*

## Course Objectives

The objectives of the course are to provide the students with the basic knowledge required to handle the accounting functions of banks. On completion of this course the students will be able to gain the knowledge of total banking accounting practices of the banks. The course further aims at providing knowledge required to analyze financial statements of banks.

## Course Description

This course contains introduction, accounting for deposit, accounting for bills for collection, accounting for guarantee and margin deposit, letter of credit (LC), accounting for remittance, accounting for credit and advances, accounting for cash transactions, accounting for treasury management, banking technology products, concept of BASEL framework, anti money laundering (AML), accounting for decision making, accounting for control, preparation of financial statements, financial statements analysis.

## Course Details

### Unit 1: Introduction

**LH 8**

Concept of bank account; Rules and classifications of accounts ; Accounting assumptions, principles and conventions ; Evolution of banking industry, Development of banking industry in Nepal; Meaning, nature, objectives, importance and functions of banks; Types of Banks: Central Bank, Commercial Banks, Development Banks, Financial Institutions, Micro Finance Institutions and Co-operative Banks ; Opportunities and Challenges of Nepalese Banking Sector; Legal provisions under Banking and Financial Institutions Act (BAFIA), 2063; Unified directives issued by Nepal Rastra Bank.

### Unit 2: Accounting for Deposit

**LH 8**

Account Opening, operations and closure of bank account; Concept and types of deposit: current, saving, time or fixed account, hybrid or flexi deposit, calls deposit account, margin account, foreign currency account, special foreign currency account; Process of opening accounts; Inter bank borrowing from other banks and short term borrowing from NRB; Substitutes for vouchers – pay in slip and its meaning; Cheques: meaning and types of cheques; Electronic cheque clearing (ECC); Service charges- concepts and accounting procedures.

### Unit 3: Accounting for Bills for Collection

**LH 8**

Bills for collection: concept, types and necessity for banking business; Outward bills for collection (OBC): concept and types; Service charges and accounting records for OBC; Endorsement: meaning and accounting procedures; Procedures used in bills for collection; Inward bills for collection (IBC): concept and importance; Document required for IBC; Service charges and accounting records for inward bills for collection; Debit note and required reversal entry; Outgoing debit advice for uncollected or dishonored bills.

**Unit 4: Accounting for Guarantee and Margin Deposit****LH 7**

Concept, and types of guarantee deposit; Concept, needs and types of guarantee: Bid bond, Performance bond, Advance payment guarantee, Counter guarantee, Financial guarantee, Standby letter of credit, Bonded warehouse guarantee; Banker's liabilities and customer's liabilities toward guarantee issuance ; Accounting treatment of guarantee issue (voucher and ledger); Margin deposit: concept, process and evaluation ; Service charges and accounting treatment.

**Unit 5: Letter of Credit (LC)****LH 8**

Letter of credit: concept, needs and types of LC; Parties involved in LC; Documents in LC; Trade finance; International Chambers of Commerce and Universal Custom and Practices (UCP) for documenting credit; NRB regulations for LC; Accounting treatment.

**Unit 6: Accounting for Remittance****LH 8**

Remittance: concept and importance; Services rendered by remittance ; Types of remittance; Parties involved in remittance ; Demand draft, accounting for advice received and un-received demand draft; Account payee draft; Books of original entry for advice received and un-received; Telegraphic transfer and mail transfer; Branch reconciliation.

**Unit 7: Accounting for Credit and Advances****LH 10**

Credit creation; Concepts and importance of credit; Types of credit: Cash credit, Overdraft, Secured loan, Micro credit, and other loans: auto, home, credit card, education and social; Security: types and procedures/valuation of securities; Evaluation of feasibility study; Industry risk analysis and Business risk analysis (using six C's of credit); Accounting treatment of different types of credit; Loan processing charges, interest and commission and their accounting treatment; Collection and recovery of loans method applied and accounting treatment; Credit risk management; Credit creation.

**Unit 8: Accounting for Cash Transactions****LH 7**

Receiving cashier's counter cash book ; Paying cashier's counter cash book; General cash books, day books and denomination books.

**Unit 9: Accounting for Treasury Management****LH 8**

Concept of treasury management; Dimensions of treasury management; Market risk management; Liquidity management; Investment portfolio management; Foreign exchange risk management; Assets liability management ; Maintenance of agency ledger (NOSTRO and VOSTRO).

**Unit 10: Banking Technology Products****LH 9**

Banking software; Card operation ; Tele banking; Mobile banking; Internet banking and e banking; SWIFT (society for worldwide interbank financial telecommunication); Branch less banking.

**Unit 11: Concept of BASEL Framework:****LH 7**

Concept and importance; Principles of capital measurement and capital standard

**Unit 12: Anti Money Laundering (AML)****LH 5**

Concept, importance and AML Act; Know your customers (KYC)

**Unit 13: Accounting for Decision Making****LH 11**

Capital Budgeting: Project evaluation on the basis of Pay-back period, Net Present Value, Profitability Index and Internal Rate of Return; Cost Volume Profit Analysis for project evaluation.

**Unit 14: Accounting for Control****LH 8**

General ledger: concept, needs and procedures of maintaining general ledgers; Comparison with commercial accounting; Daily trail balance: concept, needs and preparation and tools for control of general ledgers; Transaction list verification and operational procedures.

**Unit 15: Preparation of Financial Statements****LH 13**

Concept and importance; Statement of profit and loss and other comprehensive income (Income statement); Statement of financial position/balance sheet; Statement of cash flow statement; Statement of changes in equity.

**Unit 16: Financial Statements Analysis****LH 18**

Concepts and importance; Ratio Analysis: concept, importance and limitations **Types of ratios**

**Profitability ratios:** Net interest income growth (NII growth), Interest yield, Net Spread, Operating profit growth.

**Shareholder ratios:** Return on equity, Return on assets, Earning per share, Price earnings ratio, Market price per share, Dividend payout ratios.

**Liquidity ratios:** Net liquid assets, Net liquidity ratios, Statutory liquidity ratio (SLR), Cash reserve ratio (CRR), Gap analysis.

**Activity ratios:** Cost of fund, Base rate, Cost to income ratio, Credit deposit ratio, Net interest margin, Non-funded income as a percentage of total operating income, Operating expenses ratio (interest to total operating expense, office operating expense to total operating expenses and HR expenses to total operating expenses) Staff efficiency (per employee income, per employee business i.e. deposit plus loan)

**Gearing and Financial ratios:** Total borrowing to shareholder fund, Total external liabilities to total assets, Total assets growth, Net worth growth

**Cash Flow ratios:** Interest coverage ratio, Debt coverage ratio

**Assets Quality ratios:** Non-performing loans to total loans, Loan loss reserves to gross loan, Earning coverage to loan losses, Increase in loan loss reserve to gross income

**Earnings ratios:** Net interest margin, Non-funded income expenses as a percentage of total operating expenses

**Capital Adequacy ratios:** Capital fund as a percentage of risk weighted assets

**Project Work****LH 10**

After the completion of fourth year concentration classes the students shall have to prepare and submit a project work in the area they have specialized. The subject teachers have to discuss with students on possible topics of the project work, availability and sources of literature, availability of data, data collection methods, appropriate tools of data analysis, etc relevant to the subject within 10 lecture hours.

## References

- Indian Institute of Banking and Finance, *Accounting and Finance for Bankers*, Macmillan India Ltd. Chennai India
- Jain, S. P. & Narang, K. L., *Advanced Accounting, Corporate Accounting, Vol. 11*, New Delhi: Kalyani Publishers.
- Battliboi, J. R. *Advanced Accounting*, Mumbai: Standard Accountancy Publication Pvt. Ltd.
- Nepal Rastra Bank Act, 2058
- Accounting Manual of banks
- Bank and Financial Institutions Act, 2063
- Negotiable Instrument Act, 2034
- Unified Directives issued by NRB
- Circulars issued by NRB (Banks and Financial Institution Regulation department and Foreign Exchange Management Department)
- International Chamber of Commerce and the UCPDC 600

# ACC 251: Accounting for Business

*Lecture Hours: 150*

*Full Marks: 100*

*Pass Marks: 35*

## Course Objectives

The objectives of the course are to provide the students with in-depth knowledge of accounting required to handle accounting works in the various business situations like partnership, consignment, branch etc. independently. The course further aims at providing knowledge required by the students for advance studies in accounting subject.

## Course Description

This course contains accounting for partnership, admission of new partner, retirement and death of a partner, dissolution of a partnership firm and piecemeal distribution, accounting for, consignments, accounting for joint ventures, accounting for branch, accounting for department of activity, Accounting for packages or containers, accounting professional men, accounting for royalties, accounting for hire purchase system, accounting for installment system.

## Course Details

### Unit 1: Accounting for Partnership

**LH 10**

Concept of partnership; Partnership agreement and status of partners in the absence of partnership deed; Accounting for partnership firm-partner's capital a/c, fixed and fluctuating capital; Accounting treatment of partner's salary, interest and drawing; Partner's loan account; Preparation of profit and loss appropriation account in the book of the firm.

### Unit 2: Admission of New Partner

**LH 11**

Concept; Impact of admission in the profit sharing ratio of the firm; Impact of admission in the revaluation of assets and liabilities; Impact of admission in the value of goodwill of the firm; Re-arrangement of reserve and surplus and accumulated losses of the firm; Re-adjustment of partners capital giving due influence of new admission; Distribution of old profit to old partners; Admission of a partner during an accounting year.

### Unit 3: Retirement and Death of a Partner

**LH 14**

Calculation of new profit sharing ratio; Revaluation of assets and liabilities; Adjustment regarding undistributed profits and losses; Adjustment regarding goodwill and capital after retirement; Ascertainment of the due amount to the outgoing partners; Mode of payment to the outgoing partners; Death of a partner; Accounting for Joint life policy; Accounting for insurance premium.

### Unit 4: Dissolution of a Partnership Firm and Piecemeal Distribution

**LH 10**

Concept; Closing the books of account and final settlement; Accounting for dissolution-Settlement of partner's capital accounts when the firm and all the partners are solvent, Settlement of account when a partner is insolvent with or without using the rule of Garner Vs Murry; Gradual realization and piecemeal distribution-Surplus capital method, Maximum loss method.

### Unit 5: Accounting for Consignments

**LH 10**

Concept; Difference between consignment and sales; Important terms-Consignment goods sent at invoice price, Consignment expenses, Commission, Valuation of unsold stock, Loss of goods on consignment-Normal loss, Abnormal loss; Interest on consignment; Consignment goods taken over by consignee.

**Unit 6: Accounting for Joint Ventures****LH 10**

Meaning, characteristics and features of joint venture; Difference between joint venture and consignment; Difference between joint venture and partnership; Methods of accounting-Without keeping separate set of books, With keeping separate set of books.

**Unit 7: Accounting for Branch****LH 11**

Concept and types of branch; Accounting records-Dependent branch, Independent branch; Accounting entries for incorporation of branch transactions in the books of head office and consolidated balance sheets ; Accounting treatment of some important adjustments-Normal loss, Abnormal loss, Cash in transit, Goods in transit, Inter branch transactions.

**Unit 8: Accounting for Department of Activity****LH 9**

Concept, objectives and types of department; Department trading and profit and loss account; Allocation of expenses, Difference between branch and department, Inter – department transfer.

**Unit 9: Accounting for Packages or Containers****LH 9**

Concept and objectives of container; Importance terms of container; Calculation of missing terms of container; Accounting for types of container-Returnable: with maintaining trading and reserve account, with maintaining trading, reserve and stock account; Non Returnable.

**Unit 10: Accounting Professional Men****LH 14**

Concept and techniques in general, Accounting treatment-- receipt and payment account, adjustments, income and expenditure account, profit and loss account , household cash statement.

**Unit 11: Accounting for Royalties****LH 12**

Concept and modern terms; Accounting treatment with and without maintaining minimum rent account.

**Unit 12: Accounting for Hire Purchase System****LH 10**

Concept and objectives of hire purchase system; Calculation of interest, cash price and installment (using analytical table); Accounting treatment: *In the book of purchaser*- Journal entries, Necessary ledger accounts. *In the book of vendor*-Journal entries, Necessary ledger accounts.

**Unit 13: Accounting for Installment System****LH 10**

Concept and features of installment system; Difference between hire purchase and installment system; Calculation of interest, cash price and installment (using analytical table); Accounting treatment: *In the book of purchaser*-Journal entries, Necessary ledger accounts. *In the book of vendor*, Journal entries, Necessary ledger accounts.

**Project Work****LH 10**

After the completion of fourth year concentration classes the students shall have to prepare and submit a project work in the area they have specialized. The subject teachers have to discuss with students on possible topics of the project work, availability and sources of literature, availability of data, data collection methods, appropriate tools of data analysis, etc relevant to the subject within 10 lecture hours.

**Basic Books**

Battliboi, J. R., *Advanced Accounting*, Mumbai: Standard Accountancy Publication Pvt. Ltd.

Jain, S. P. & Narang, K. L., *Advanced Accounting, Corporate Accounting, Vol. 11*, New Delhi : Kalyani Publishers,

Shukla, S.M., Grewal, T.S. & Gupta, S.P., *Advanced Accounting*, New Delhi : S. Chand and Co.

**Reference Books**

Dangol, R. M., Prajapati, K. P., Tamrakar, M. R. and Upadhyay, T. P., *Accounting for Business*, Kathmandu : Taleju Prakashan.

Koirala, Y. R. & Dahal, S., *Accounting for Business*, Kathmandu: Ashmita Books and Distributors.



# ACC 252: Advanced Financial Accounting

*Lecture Hours: 150*

*Full Marks: 100*

*Pass Marks: 35*

## Course Objectives

The objectives of the course are to provide the students with a detailed knowledge of accounting principles, concepts, techniques and their application to develop ability and skills in practical work situation. On completion of this course the students will be able to gain the knowledge of government accounting, national accounting standards and international accounting standards. The course further attempts to provide sound knowledge of new trends of accounting. It helps them to understand the concept of business combinations and to prepare the consolidated financial statement.

## Course Description

This course contains introduction to advanced financial accounting, preparation of company accounts, valuation of goodwill and shares, new trend in accounting, accounting for contract, accounting for non-profit organizations, government accounting in Nepal.

## Course Details

### Unit 1: Introduction

**LH 10**

Meaning, objectives, importance and functions of financial accounting; Accounting Principles, Concepts and Conventions ; GAAP, Accounting Standards, Nepalese Accounting Standards (NAS), International Accounting Standards (IAS), Relative aspects of NAS and IAS.

### Unit 2: Preparation of Company Accounts

**LH 36**

Company expansion through Amalgamation and Absorption: meaning and concept, Purchase consideration – concept and determination, Accounting treatment in the books of both Purchasing and Vendor Company, Preparation of Balance Sheet by Purchasing Company, Internal and external reconstruction: Meaning, importance, need and accounting treatment and balance sheet after reconstruction; Expansion through Subsidiary companies (Holding Company). Concept of Holding and Subsidiary Company, preparation of Consolidated Balance Sheet by holding company after due consideration of: Pre-acquisition and post-acquisition profit, Minority Interest, Cost of Control/Goodwill or Capital Reserve, Revaluation of assets, Dividend from Subsidiary Company, Inter Company debt and unrealized profit; Preparation of accounts from incomplete records (single entry system).

### Unit 3: Valuation of Goodwill and Shares

**LH 14**

Goodwill: concept and need for valuation, Factors affecting the value of goodwill and accounting treatment, Methods of evaluating goodwill: average profit method, super profit method, capitalization method, annuity method; Valuation of shares: concept and need, Factors affecting value of shares, Methods of valuation of shares: net assets method, yield method, earning capacity method.

### Unit 4: New Trend in Accounting

**LH 28**

Human Resource Accounting: concept, objectives and benefits of HRA, Valuation of Human Resources – Historical Cost Approach, Replacement Cost Approach, Opportunity Cost, Standard Cost Approach, Present Value Approach; Social Accounting: concept and approaches, Social responsibilities of business,

Measurement of social cost benefit, Social Accounts and Balance Sheet; Environment Accounting: concept, needs, scope, forms and elements of environment accounting; Forensic Accounting: concept, functions, needs of forensic accounting, Detection techniques used in forensic accounting, Critical aspects to be followed while conducting forensic accounting .

#### **Unit 5: Accounting for Contract**

**LH 12**

Meaning and concept of contract; Calculation of profit for complete and incomplete contract; Accounting treatments: Contract Account, Contractee's Account, Work in progress account, Balance sheet.

#### **Unit 6: Accounting for Non-Profit Organizations**

**LH 12**

Concept, features and characteristics of non-profit organization; Accounting procedures of non-profit organization: Receipt and Payment account, Income and Expenditure account, Balance Sheet.

#### **Unit 7: Government Accounting in Nepal**

**LH 28**

Concepts, objectives and features of government accounting; Historical development of government accounting; Present accounting system (including single treasury accounting system): concept, objectives and importance of accounting system; Comparison with commercial accounting; Preparation of report of income and expenditure; Role of Comptroller and Auditor General in Nepal.

#### **Project Work**

**LH 10**

After the completion of fourth year concentration classes the students shall have to prepare and submit a project work in the area they have specialized. The subject teachers have to discuss with students on possible topics of the project work, availability and sources of literature, availability of data, data collection methods, appropriate tools of data analysis, etc relevant to the subject within 10 lecture hours.

#### **Reference Books**

Battliboi, J. R., *Advanced Accounting*, Mumbai : Standard Accountancy Publication Pvt. Ltd.  
Jain, S. P. and Narang, K. L., *Advanced Accounting, Corporate Accounting, Vol. 11*, New Delhi : Kalyani Publishers

Shukla, S.M., Grewal, T.S. & Gupta, S.P., *Advanced Accounting*, New Delhi : S. Chand and Co.  
Agarwal, A. N., *The Higher Science of Accountancy*, Kitabmahal, Allhabad  
Lal, J., *Accounting Theory and Practice*. New Delhi: Himalaya Publishing House  
Lal, J., *Cost Accounting*, New Delhi : Tata Mc Graw Hill.  
Directive of Single Treasury Accounting System.  
Accounting Standards Board. *Nepal Accounting Standards*. Kathmandu: ASB.  
NFRS. *Nepal Accounting Standards*. Kathmandu: ASB.

# ACC 253: Advance Auditing

Lecture hours: 150

Full Marks: 100  
Pass Marks: 35

## Course Objectives

The objective of the course is to provide conceptual and working clarity and understanding of the relevant audit procedures and techniques and increase candidate's capability to assess internal control systems to identify audit risks of auditing, various types of audit so that they can plan and perform effective and efficient audit.

## Course Description

This course contains conceptual foundation, planning an audit, internal check and control, vouching, audit of impersonal ledgers, verification and valuation of asset and liabilities, depreciation, reserve and provision, appointment, remuneration and right and duties of an auditor, audit of a limited company, audit of divisible profits and dividends, audit report, liabilities of an auditor, audit programmes and procedures of different classes of audits, investigation, government audit in Nepal, recent trends in auditing.

## Course Details

### Unit 1: Conceptual Foundation

LH 9

Nature and scope, Evolution of auditing practices in Nepal, Objectives of audit ; Detection and prevention of frauds and errors with practical dealings; Advantages and Limitation of audit; Accounting, auditing and investigation; Terms of audit engagement.

### Unit 2: Planning an Audit

LH 10

Knowledge and understanding of the organization; Audit programme: Contents of audit programme, techniques and preparation of audit programme; Tolerable error, audit risks, sampling and determinants of sample size; Audit note books: Objectives, procedures and techniques and contents of audit note books; Organization of audit staff, job description, responsibility assigned and liabilities defined, conduct of an audit work, continuous audit, periodical audit, interim audit, partial audit; Types of audit: Tax audit, cash audit, cost audit, management audit, data processing audit, scope of work to be determined, instruction to the client, preparation by the auditor, division of work, audit files, audit working papers.

### Unit 3: Internal check and control

LH 8

Concept, objective, essential characteristics, advantages and disadvantages, internal check and internal audit, effects of internal control and internal audit, auditor's duties as regard to internal check and internal control, use/adoption of distinctive ticks, routine checking, difference in balancing books, concept of test checks, advantage and limitation; Difference between statutory audit and internal audit

### Unit 4: Vouching

LH 14

Concept, importance, objectives of vouching, vouching of cash transactions, vouching of payments, vouching of receipts, vouching of sales, credit and cash sales, internal checks as regard to cash sales, cash discount allowed and return, credit sales, review of internal check system as regard to credit sales, sales on approval basis, sales under hire purchases system, goods on consignment, goods sent on package and containers, return, vouching of purchase, cash purchase, internal check as regard to cash purchase, discount received and return, credit purchase, internal check as regard to credit purchase, discount received and return.

**Unit 5: Audit of Impersonal Ledgers****LH 8**

Capital expenditure, revenue expenditure and deferred expenditure; Outstanding expenses and income, repairs and renewals; Prepaid expenses, contingent liabilities and asset.

**Unit 6: Verification and valuation of asset and liabilities****LH 13**

Concept, importance, distinction between verification and vouching, verification and valuation of assets, methods of valuation, vouching and valuation, valuation of fixed assets, current assets and wasting assets, auditor's position as regards to verification and valuation of assets, verification of liabilities, capital loans and long-term loans, trade creditors, outstanding liabilities for expenses, bills payable, contingent liabilities, confirmation and verification, concept of fair value measurement.

**Unit 7: Depreciation, reserve and provision****LH 5**

**Depreciation:** Concept and causes for depreciation, methods of depreciation, difference between fluctuation and depreciation, difference between obsolescence and depreciation, Auditor's duty in connection with depreciation.

**Reserve and Provision:** Concept of reserve and provision, need for reserve and provision, types of reserve and provision, Auditor's duty in connection with different provisions and reserves.

**Unit 8: Appointment, remuneration and right and duties of an auditor LH 5 (According to Nepal Company Act and other legislations governing audit)**

Qualification of an auditor of a company, appointment and remuneration of an auditor, qualities of an auditor, rights and duties of an auditor, removal of an auditor.

**Unit 9: Audit of a limited company****LH 13**

Nature of company audit, preliminaries before company audit, statutory audit, audit of preliminary expenses, audit of statutory general meetings, review of memorandum of association and articles of association, audit of shares capital, issue of shares at par, premium and discount, issue of share for other than cash, bonus share, calls in arrear and calls in advance, forfeiture and re-issue of forfeited shares, transfer and conversion of shares, alternation of share capital; Audit of underwriting commission, transfer fees, brokerage and commission; Audit of debentures: Debentures issued at par, discount and premium, redemption of debentures, regular redemption and redemption at par, premium and discount, redemption through purchase in open market, conversion of debentures into shares.

**Unit 10: Audit of divisible profits and dividends****LH 9**

Concept of profit and divisible profit, consequences of incorrect valuation of profit; Factors affecting dividend-capital profit and revenue profit, dividend by appreciating assets including intangible assets, loss on fixed assets and dividend pre-opening profit and dividend; Dividend on preference shares: cumulative and non-cumulative preference shares, unclaimed dividend.

**Unit 11: Audit report****LH 5**

Meaning of audit report, content of audit report; Types of audit report: statutory report, general report, qualified report, tax audit report; Evaluation of audit evidence, adequacy and appropriateness of audit evidence.

**Unit 12: Liabilities of an auditor****LH 10**

Legal provision regarding liability of an auditor, auditor appointed by a private business concern, liability of a limited company auditor, civil liability, liability for negligence and misfeasance, criminal liability

**Joint audit:** Meaning, liability of joint auditor and branch auditor, liability of an honorary auditor, auditor's liability to third party.

### **Unit 13: Audit programmes and Procedures of different classes of Audits**

**LH 8**

Audit of educational institutions, co-operative societies, charitable institutions, NGO's and local government bodies; Audit of partnership firm: concept of partnership firm audit, procedures to be followed by a newly appointed auditor, audit on behalf of different types of partners, performance audit.

### **Unit 14: Investigation**

**LH 8**

Concept of investigation, difference between investigation and audit, causes for investigation and methods of investigation, identification of objectives of investigation, formulation of programme, collection and examination of records and evidence; Types of investigation, investigation on behalf of incoming partners, prospective shareholders, prospective moneylenders and suspected frauds, duties and liabilities of an investigator.

### **Unit 15: Government Audit in Nepal**

**LH 7**

Concept, objectives, natures and evolution, difference between government audit and commercial audit; **Internal audit:** Concept, objectives and advantages; Misappropriation and procedure for regularization, roles of Comptroller General, final audit, audit of expenditure, debts, deposit, remittance and stores, audit report; Roles of auditor General in government audit, and Public Account Committee; Directives of Office of Auditor General; Government auditing standard.

### **Unit 16: Recent trends in auditing**

**LH 8**

Establishment of ICAN, Accounting Standards Board, Auditing Standard Board, The Institute of Chartered Accountants Act; Roles of ICAN and AuSB in developing and promulgating auditing standards, Certificate of practice, code of ethics; Auditing Standards, concept, objective, importance and requirement of each auditing standards (mandatory, voluntary and exposure drafts).

### **Project Work**

**LH 10**

After the completion of fourth year concentration classes the students shall have to prepare and submit a project work in the area they have specialized. The subject teachers have to discuss with students on possible topics of the project work, availability and sources of literature, availability of data, data collection methods, appropriate tools of data analysis, etc relevant to the subject within 10 lecture hours.

### **Basic Books**

Ramaswamy, M.S., *Auditing*, New Delhi: S. Chand and Co.

Saxena, R.G., *Principles of Auditing*, Bombay: Himalayan Publishing House.

### **References**

Dhakar, K.D., Bhattarai, I & Koirala, G.P., *The Principles and Practice of Auditing*, Kathmandu: Asmita Books Publishers and Distributors Pvt, Ltd.

Tandon, B.N., *Practical Auditing*, New Delhi: S.Chand and Co.

Pandey, D.L., *Auditing*, Kathamandu: Asia Books Distributors Pvt.

Ltd. Government of Nepal, *Auditing Act, 2048 with amendments*.

Government of Nepal, *Company Act, 2063 with amendments*. Auditing

Standards Board of Nepal, *Nepal Standard on Auditing*. Website:

ICAB, AuSB

Government of Nepal; Income Tax Act, Co-operative Act, Education Act, Self Governance Act (with amendments).

# **ACC 254: Budgeting and Controlling of Profit**

**Lecture hours: 150**

**Full Marks: 100  
Pass Marks: 35**

## **Course Objectives**

The objectives of this course are to give students a deeper understanding in the area of budgeting and controlling in a competitive business environment. It also aims to acquaint students with advanced knowledge in the field of accounting in order to formulate business strategies.

## **Course Description**

This course contains conceptual foundation, sales planning and control, production planning and control, planning of factor of production, planning and controlling cash, completion of profit plan, zero-based budgeting, planning and controlling capital expenditures, application of cost volume profit analysis in profit planning, performance reports for management control.

## **Course Details**

### **Unit 1: Conceptual Foundation**

**LH 14**

Introduction and purpose of profit planning and control; Overview of PPC; Fundamental concept of Comprehensive profit planning and control; Management planning and control using PPC; Time dimensions in PPC; Organizational adaptation to PPC; PPC processes; Line and staff responsibilities related to PPC; Behavioral implications of a PPC program; Application of PPC in manufacturing and non-manufacturing organizations.

### **Unit 2: Sales Planning and control**

**LH 10**

Concept and objectives of sales planning; Sales planning compared with forecasting; Strategic and Tactical sales plans; Component of comprehensive sales planning; Developing a comprehensive sales plan; Consideration of alternatives in developing a realistic sales plan; Steps and methods of sales planning

### **Unit 3: Production Planning and Control**

**LH 10**

Concept and objectives of production planning; General considerations in planning production and inventory levels; Time dimensions of production planning; Developing production planning; Developing inventory policies; Setting production policies; Just in time (JIT) production; The production budget as a planning, coordinating and control tool

### **Unit 4: Planning of Factor of Production**

**LH 28**

Material Consumption, purchases and material cost budgets; Material inventory and JIT purchase; Merchandize purchase budget of a non manufacturing organization; Open to buy concept and its validity; Planning of direct labour hours, direct labour costs, direct labour budget and control; Overhead cost planning and control; Controllable and non-controllable overhead cost; Cost control and reduction; Manufacturing, administrative and selling & distribution overhead cost planning; Apportionment and reapportionment of planned overhead costs to operating divisions

**Unit 5: Planning and Controlling Cash****LH 14**

Concept and objectives of planning and control of cash; Time horizons in cash planning and control; Estimation of cash receipts and payments; Borrowing and other financial need; Use of financial accounting approach in computing cash collection and cash disbursements.

**Unit 6: Completion of Profit Plan****LH 18**

Concept and objectives of completion of profit plan; Completion of the annual profit plan; Alternatives available in developing profit plan; Implementation of the profit plan; Application of profit plan in controlling operation.

**Unit 7: Zero-Based Budgeting****LH 6**

Concept, objectives, advantages, limitations and procedures of zero-based budgeting

**Unit 8: Planning and Controlling Capital Expenditures****LH 15**

Concept, objectives and characteristics of capital expenditure budget; Project orientation in the capital expenditure budget; Time dimensions in the capital expenditure budget; Benefits of capital expenditures budget; Responsibilities for developing the capital expenditures budget; Methods of measuring the economic value of a capital expenditures

**Unit 9: Application of Cost Volume Profit Analysis in Profit Planning****LH 14**

Concept and objectives of cost volume profit analysis; Basic assumption underlying cost-volume-profit analysis; The principle of cost variability as applied to cost-volume-profit analysis; Identification of fixed and variable cost components; Break even and contribution analysis; Application of break even analysis; Cost validity; Sales mix and sales price planning

**Unit 10: Performance Reports for Management Control****LH 11**

Classification of reports; Performance report as a communication tool; Essential features of a performance report; The basic format of performance report; Adapt performance reports to requirement of users; Design and preparation of performance report; Time gap between the decision and report; Technical aspect of control reports.

**Project Work****LH 10**

After the completion of fourth year concentration classes the students shall have to prepare and submit a project work in the area they have specialized. The subject teachers have to discuss with students on possible topics of the project work, availability and sources of literature, availability of data, data collection methods, appropriate tools of data analysis, etc relevant to the subject within 10 lecture hours.

**Basic Books**

Welsh, G. A., Ronald, W. H. & Gordan, P. N. *Budgeting: Profit planning and control*, New Delhi: Prentie Hall of India.

Jones, R. L. & Trentin, G. H. *Budgeting: Key to planning and control*, Mumbai

Jakhotiya, G. P., *Budgeting and Budgetary Control*, New Delhi: Tata McGraw Hill Publishing Company Limited

**Reference Books**

Shah, B. & Goet, J., *Profit Planning and Control*. Dreamland Publication, Kathmandu

Ojha, K. P. & Gautam, C. M., *Profit Planning and Control, Kathmandu:* Asmita Books and Distributors Pvt. Ltd.

Fago, G. & Niraula, H., *Profit Planning and Control*. Kathmandu: Buddha Academic Enterprises Pvt. Ltd.

# **FIN 250: Fundamentals of Corporate Finance**

**Nature of the Course:** Concentration  
**Lecture Hours:** 150

**Full Marks:** 100  
**Pass Marks:** 35

## **Course Objective**

The objective of this course is to provide students an understanding of the basic concepts and theories of corporate finance and develop skills to analyze issues in corporate finance for sound financing decisions in businesses.

## **Course Description**

This course familiarizes students the fundamentals of corporate finance and provides them required skills to analyze and manage financing aspects of business decisions. This course deals with introduction to corporate finance, financial markets and institutions, interest rates, short-term financing, common stock and investment banking process, long-term debt and preferred stock financing, capital structure and leverage, financial planning and forecasting, derivatives and risk management, multinational corporation and merger and acquisition.

## **Course Details**

**Unit 1: Introduction to Corporate Finance LH 10** Corporate finance and financial manager; Financial manager's responsibilities; Managerial actions to maximize shareholder wealth; Corporate finance and other functional areas; The agency problem: stockholders versus managers and stockholders versus creditors; Corporate social responsibilities; and Corporate governance.

### **Unit 2: Financial Markets and Institutions**

**LH 5**

The capital allocation process; Financial markets; Types of financial markets; Financial institutions; The stock market; Stock market and returns; and Stock market efficiency.

### **Unit 3: Interest Rate**

**LH 10**

The cost of money; Interest rates levels; Determinants of market interest rates; Term structure of interest rates; Shape of yield curve; Using the yield curve to estimate future interest rates; Macro-economic factors influencing interest rates; and Interest rate and business decision.

### **Unit 4: Short-Term Financing**

**LH 20**

Nature of short-term financing; Advantages and disadvantages; Sources of short-term financing: accruals, accounts payable (trade credit), commercial paper, short-term bank loans – line of credit, revolving credit arrangement, transaction loans; The cost of bank loan; Choosing a bank; Comparison of cost of trade credit, commercial paper and short-term bank loan; Use of security in short-term financing: inventory financing and accounts receivable financing.

### **Unit 5: Common Stock and Investment Banking Process**

**LH 15**

Features of common stock; Legal rights and privileges of common stockholders; Advantages and disadvantages; The market for common stock; Methods of selling securities: public offering, rights offering and private placement; Analysis of rights offering and effect of rights offering on shareholders' wealth; and The investment banking process.





**Unit 6: Long-Term Debt and Preferred Stock Financing****LH 10**

Debt instruments: term loan and bonds; Debt contract features; Loan repayment schedules; Types of bonds; Bond innovations; Advantages and disadvantages; Preferred stock: features, types, advantages and disadvantages.

**Unit 7: Capital Structure and Leverage****LH 10**

Capital structure and financial structure; Determining the optimal capital structure: EBIT–EPS analysis of the effect of financial leverage, EPS indifference analysis; The effect of capital structure on stock prices and the cost of capital; Capital structure and value of the firm; Operating leverage, financial leverage and total leverage.

**Unit 8: Financial Planning and Forecasting****LH 15**

Strategic planning; Operating plans and the financial plan; Sales forecast; The Additional Fund Needed (AFN) Equation; Forecasted financial statements; Using regression to improve forecasts; and Analyzing the effects of changes in ratios.

**Unit 9: Derivatives and Risk Management****LH 15**

Reasons for managing risk; Introduction to derivatives, Options: Option types and markets; Factors affecting the value of a call option; Exercise value versus option price; Forward and futures contracts; Other types of derivatives: swaps, structured notes, inverse floaters; Using derivatives to reduce risk; Risk management and risk management approaches.

**Unit 10: Multinational Corporate Finance****LH 20**

Nature of multinational corporations; Reasons for companies going global; Multinational versus domestic financial management; Exchange rates quotations; Cross rates; Interbank foreign currency quotations; Trading in foreign exchange rates: spot rates and forward rates; Interest rate parity; Purchasing power parity; Inflation, interest rates, and exchange rates; International money and capital markets; International capital budgeting; and International capital structure.

**Unit 11: Merger and Acquisition****LH 10**

Rationale for mergers; Types of mergers; Level of merger activity; Hostile versus friendly takeovers; Merger analysis; Role of investment bankers; Corporate alliances; and Private equity investments.

**Project Work****LH 10**

After the completion of fourth year concentration classes the students shall have to prepare and submit a project work in the area they have specialized. The subject teachers have to discuss with students on possible topics of the project work, availability and sources of literature, availability of data, data collection methods, appropriate tools of data analysis, etc relevant to the subject within 10 lecture hours.

**Basic Text**

Brigham, E. F., & Houston, J. F. *Fundamentals of financial management*. Delhi: Cenage Learning.

Weston, J. F., Scott B., & Brigham, E. F. *Essentials of managerial finance*. New York: Harcourt Brace College Publishers.

**References**

Van Horne, J. C., & Wachowicz, J. M. *Fundamentals of financial management*. Prentice- Hall India Ltd.

Ross, S. A., Westerfield, R. W. & Jordan, B. D. *Fundamentals of corporate finance*. New York: McGraw-Hill Irwin.

Gitman, L. J. *Principles of managerial finance*. Delhi: Pearson Education.

Paudel, R. B., Baral K. J., Gautam R. R., & Rana S. B. *Fundamentals of corporate finance*. Kathmandu: Asmita Books Publishers and Distributors.

# FIN 251: Commercial Bank Management

**Nature of the Course:** Concentration  
**Lecture Hours:** 150

**Full Marks:** 100  
**Pass Marks:** 35

## Course Objective

This course aims to provide students with basic understandings of how commercial banks provide their services and equip them with the tools and techniques required for commercial bank management. By the end of this course, the student will be able to understand regulatory environment, evaluate performance, analyze asset/liability position of banks, make correct investment decisions, provide various types of lending, manage capital and liquidity position and analyze the impact of off balance activities of commercial banks.

## Course Description

This course deals with one of the most important financial institutions – commercial banks. This course introduces students with the commercial bank and the regulatory environment in which it operates. Then it evaluates the performances of banks and discusses how the assets and liabilities of the banks are managed. It describes how these banks maintain their liquidity, manage the capital and offer different types of loan to their clients. Finally, it also covers the off-balance sheet items and electronic banking.

## Course Details

**Unit 1: Introduction to Commercial Banking LH 5** Meaning, types and functions of a bank; Bank goals and constraints; Internal organization of banking firms; Sizes and market shares of commercial banks; Assets and liabilities of commercial banks; and Current status of commercial banks in Nepal.

### Unit 2: The Bank Regulatory Environment

**LH 10**

Reasons for bank regulations; Evolution of regulatory framework; Salient Features of Banking and Financial Institutions Act; Functions and power of bank regulator; and The Role of Nepal Rastra Bank in the regulation of banks in Nepal.

### Unit 3: Evaluating Bank Performance

**LH 10**

Framework for evaluating bank performance: internal performance, external performance; Bank financial statement: the balance sheet, the income statement; Analyzing bank performance with financial ratios: profit ratios, risk ratios, other ratios; Risk-adjusted return on capital; and Economic value added.

### Unit 4: Asset/Liability Management

**LH 15**

Concept of asset/liability management; Approaches in managing interest rate risk: balance sheet adjustment, off-balance sheet adjustment; Measuring interest rate sensitivity and dollar gap: classification of assets and liabilities, definition of dollar gap, asset and liability sensitivity gap, interest rates and profitability, incremental and cumulative gap, gap analysis, managing interest rate risk with dollar gap, balance sheet adjustment, acceptable level of interest rate risk, aggressive vs defensive management of interest rate risk using dollar gap, problem of dollar gap management; Duration gap analysis: measurement of duration gap, interest rates, the duration gap and the value of equity, defensive and aggressive duration gap management, problem with duration gap management; and Simulation and stress testing in asset/liability management.

**Unit 5: Investment Management****LH 10**

Investment policies and goals; Types of investment securities; Evaluating investment risk: security specific risk, portfolio risk, inflation risk; and Investment strategies: passive investment strategies, aggressive investment strategies.

**Unit 6: Credit Evaluation Process****LH 10**

Credit scoring; Credit rating; financial analysis; Ratio analysis: profitability ratios, liquidity ratios and measures, efficiency ratios, leverage ratios; and Common size statement analysis.

**Unit 7: Commercial and Industrial Lending****LH 15**

The role of asymmetric information in lending; Lending environment; Loan policy; Ways to making loan; Principal lending activities; Collateral: characteristics of good collateral, types of collateral; The lending process: evaluating a loan request, structuring commercial loan agreements, pricing commercial loans, monitoring and loan review.

**Unit 8: Real Estate and Consumer Lending****LH 10**

Real estate lending; Characteristics of mortgage loan; Residential mortgage loan; Commercial real estate loan; Consumer lending; Types of consumer loans; and Financial charges.

**Unit 9: Liquidity Management****LH 15**

Estimating liquidity needs: sources and uses of funds method, structure-of-deposits method; Assets liquidity: role of asset liquidity, primary reserves, managing the money position, secondary reserves; Liability management; Fund management of liquidity: liquidity ratios, optimal bank liquidity; Regulatory view of bank liquidity; and Nepal Rastra Bank directives on liquidity management.

**Unit 10: Capital Management****LH 10**

Definition of bank capital; Role of bank capital; Capital adequacy; Shareholders' view on bank capitalization; Trends in bank capital; and Nepal Rastra Bank Directives on bank capital.

**Unit 11: Liabilities Management****LH 10**

Structures of bank liabilities; Deposit sources of fund; Non deposit sources of funds; Balance sheet structure of bank liabilities; Managing bank liabilities; Formulating pricing policies; Estimating cost of bank funds; and Cost analysis.

**Unit 12: Off-Balance Sheet Activities****LH 10**

Financial guarantees; Standby letter of credit; Bank loan commitments; Derivatives; and Other off-balance sheet activities.

**Unit 13: Electronic Banking****LH 10**

Retail payments and financial services; Electronic banking services: retail services, wholesale services; and Electronic banking: internet banking.

## **Project Work**

**LH 10**

After the completion of fourth year concentration classes the students shall have to prepare and submit a project work in the area they have specialized. The subject teachers have to discuss with students on possible topics of the project work, availability and sources of literature, availability of data, data collection methods, appropriate tools of data analysis, etc relevant to the subject within 10 lecture hours.

## **Text and Reference Books**

Gup, B. E., & Kolari, J. W. *Commercial banking*, New Delhi: Wiley India.

Rose, P. S., & Hudgins, S. C. *Bank management and financial services*, New Delhi: Tata McGraw-Hill Education.

Koch, T. W., & McDonald, S. S. *Bank management*. New Delhi: Cengage Learning.

Chaudhari, M. *An introduction to banking – liquidity risk and assets liabilities management*, West Sussex, UK: Wiley.

Government of Nepal. *Banks and financial institutions act 2006*.

# **FIN 252: Foundations of Financial Markets and Institutions**

Lecture Hours: 150

Full Marks: 100  
Pass Marks: 35

## **Course Objective**

The course aims to lay the foundation of students on financial institutions and markets by imparting the fundamentals concepts and theories of financial markets and institutions. By the end of this course, the student will understand the functioning of financial institutions such as depository and non-depository financial institutions, the role of the central bank, and the markets for government and corporate securities.

## **Course Description**

Financial institutions and markets are important components of market economy. Students studying finance courses must be familiar with the purpose and functions of the financial institutions and the markets. Therefore, this course deals with fundamental aspects of financial institutions and markets as they operate in an economy. This course covers the fundamentals concepts and theories of financial markets and assets, depository and non-depository financial institutions, central banking and monetary policy, assets price and interest rates, organization and structure of markets, government securities markets, markets for corporate securities, mortgage and assets backed securities, and risk in financial institutions.

## **Course Details**

### **Unit 1: Introduction**

**LH 10**

Overview of financial assets: concept of financial assets, debt versus equity instruments, the price of financial assets and risk, financial assets versus tangible assets, the role of financial assets; Financial markets: concepts and role of financial markets, classification of financial markets, market participants, globalization of financial markets, classification of global financial markets, motivation for foreign market and Euromarkets; The role of the government in financial markets: justification for regulation, forms of regulation; and Financial innovation: categorization of financial innovations, and motivation for financial innovation.

### **Unit 2: Financial Institutions, Financial Intermediaries and Asset Management Firms**

**LH 7**

Financial institutions: services provided by financial institutions; Role of financial intermediaries; Overview of asset/liability management for financial institutions; Concerns of regulators; Asset management firms; and Hedge funds.

### **Unit 3: Depository Institutions**

**LH 8**

Asset/liability problems of depository institutions; Commercial banks – services, bank funding, capital requirement for banks; Savings and loan associations—assets, funding, and regulation; Savings banks; Credit unions; and Classification of depository institutions in Nepal.

### **Unit 4: The Central Bank and Monetary Policy**

**LH 10**

The central bank and its purposes; Instruments of monetary policy; Different kinds of money; Money and monetary aggregate; The money multiplier—the expansion of the money supply; The impact of interest on money supply; and The money supply process in an open economy; Monetary policy: concept and goals of monetary policy, trade-offs and conflicts among policies, goals and types of targets, and Nepal Rastra Bank and monetary policy of Nepal.

**Unit 5: Insurance Companies****LH 15**

Meaning; Types of insurance; Insurance company versus types of products; Fundamentals of the insurance industry; Regulation of insurance industry; Structure of insurance companies; Forms of insurance companies—stock and mutual; Individual versus group insurance; Types of life insurance; General account and separate account products; Participating policies; Insurance company investment strategies; Changes in insurance industry; Evolutions of insurance, investment and retirement products; Insurance industry in Nepal; and Regulation and supervision mechanism in Nepal.

**Unit 6: Investment Companies and Pension Funds****LH 15**

Types of investment companies—open-end funds, closed-end funds; unit trusts; Funds sales charges and annual operating expenses; Multiple shares classes; Economic motivation for funds; Types of funds by investment objectives; The concept of family of funds; Investment vehicles for mutual funds; Mutual fund costs; Taxation of mutual funds; Regulation of funds; Structures of a funds; Recent changes in mutual funds; Alternatives to mutual funds—exchange traded funds; Mutual funds versus exchange traded funds; Investment companies in Nepal; Concept of pension funds; Types of pension plans—defined-benefit plan, defined-contribution plan, and hybrid pensions plans; and Practices of pension plan in Nepal.

**Unit 7: Determinants of Asset Prices and Interest Rates****LH 15**

Properties of financial assets; Principles of pricing of financial assets; Price volatility of financial assets; The theories of interest rates—Fisher's classical theory, the loanable funds theory, and the liquidity preference theory; The determinants of the structure of interest rates; The yield curve and the term structure; Forward rates; and Determinants of the shape of the term structure.

**Unit 8: Organization and Structure of Markets****LH 10**

Primary markets: the traditional process for issuing new securities, regulation of the primary market, variation in the understanding of process, and private placement of securities; Secondary markets: functions of secondary markets; Perfect markets; Roles of brokers and dealers in real market; Market efficiency; Electronic trading; and Primary and secondary markets in Nepal.

**Unit 9: Market for Government Securities****LH 10**

Markets for treasury securities: types of treasury securities, the primary markets—auction cycles, determination of the results of an auction, primary dealers, submission of bids; Secondary market; stripped treasury securities; Municipal securities markets: types and features of municipal securities, municipal bond ratings, the primary and secondary markets for municipal securities, and yields on municipal bonds; and Government securities and markets in Nepal.

**Unit 10: Markets for Common Stock****LH 10**

Trading mechanics; Transaction costs; Trading arrangement for retail and institutional investors; Basic functioning of stock markets; Stock market indicators; Pricing efficiency of the stock markets; Exchange market structures; Stock market and over-the-counter markets; Off-exchange markets; and Common stock market in Nepal.

**Unit 11: Market for Corporate Senior Securities****LH 10**

Concept of corporate senior securities; Credit risk; Commercial paper—concept, issuers of commercial paper; Medium term notes; Banks loans; Corporate bonds: overview of concept and features, bonds with special features, corporate bond credit rating; Eurobond market; Preferred stock: features, adjustable-rate preferred stock; Negotiable CDs; and Bankers acceptance.

**Unit 12: The Mortgage and Asset-backed Securities Markets****LH 10**

Concept of mortgage and mortgage markets; Mortgage origination; Types of mortgage; Investment risks; Concept of mortgage-backed securities; Agency pass-through securities; Collateralized mortgage obligations; Accrual bonds; Stripped mortgage-backed securities; Asset-backed securities markets: concept of asset-backed securities and securities markets, creation of an asset backed security, collateral types and securitization structure, non-mortgage types of ABS, credit risks associated with investing in ABS, securitization and the impact on financial markets.

**Unit 13: Risks of Financial Institutions****LH 10**

Concept of risk; Types of risk: interest rate risk, market risk, credit risk, off-balance-sheet risk, foreign exchange risk, sovereign risk, technology and operational risks, liquidity risk, insolvency risk and other risks.

**Project Work****LH 10**

After the completion of fourth year concentration classes the students shall have to prepare and submit a project work in the area they have specialized. The subject teachers have to discuss with students on possible topics of the project work, availability and sources of literature, availability of data, data collection methods, appropriate tools of data analysis, etc relevant to the subject within 10 lecture hours.

**Text and Reference Books**

Fabozzi, F. J., Modigliani, F., Jones, F. J., & Ferri, M. *Foundations of financial markets and institutions*. Delhi: Dorling Kindersley (India) Pvt. Ltd.

Saunders, A. & Cornett, M. M. *Financial markets and institutions*. New York: McGraw Hill Irwin.

Meir, K. *Financial institutions and markets*. Delhi: Oxford University Press India.

Madura, J. *Financial institutions and markets* Delhi: Cengage Learning India Private Limited.

Klob, R. & Rodriguez, R. J. *Financial institutions and markets*. Cambridge: Blackwell Publishers Inc.

Shrestha, M. K. , Bhandari, D. B. & Joshi, P. R. *Foundation of Financial Institutions & Markets*. Kathmandu: Asmita Books Publishers & Distributors (P) Ltd.

Bhattarai, J., & Ghimire, S. R. *Financial markets and institutions*. Kathmandu: K. P. Pustak Bhandar.

Bhole, L. M. & Mahakud, J. *Financial institutions and markets*. Delhi: Tata McGraw Hill Education Pvt. Ltd.



# FIN 253: Fundamentals of Investment

Lecture Hours: 150

Full Marks: 100  
Pass Marks: 35

## Course Objective

The objective of this course is to provide students with basic understanding of fundamental concepts and principles of investing and equip them with the tools and techniques for analyzing individual securities and portfolios. By the end of this course, the student will be familiar with the investment environment and be able to analyze securities and make correct investment decisions from the view point of individual investors.

## Course Description

This course deals with investment environment, principles and process of investing in securities. It also provides students opportunities to learn techniques of analyzing securities and forming portfolios. The topics covered in this course are: investment environment, securities markets and transactions, risk and return, modern portfolio, investment in common stocks, bonds, and mutual funds, and derivative securities.

## Course Details

### Unit 1: Investment Environment

LH 10

Meaning and types of investment; Types of investors; Investment process; Investment vehicles; Making investment plan: steps in investing, considering personal taxes, investing over the life cycle, investing in different economic environment; Meeting liquidity needs: investing in short-term vehicles; Investment environment in Nepal; and Ethics in investing.

### Unit 2: Markets and Transactions

LH 15

Meaning of securities markets; Types of securities markets: primary market and secondary market, broker and dealer market, alternative trading system, general market conditions; Globalization of securities markets: importance, investing in foreign securities, risk in international investing; Trading hours and regulations of securities markets: trading hours, regulations; and Types of securities transactions: long purchase, margin trading and short-selling.

### Unit 3: Investment Information and Securities Transactions

LH 15

Introduction to online investing; Pros and cons of using internet as an investment tool; Types and sources of investment information: types of information, sources of information; Market averages and indexes: Dow Jones averages, S & P indexes, Npse indexes; Bond market indicators; Making securities transactions – the role of the stock brokers; Types of orders; Online transactions; Transaction costs; and Investor protection.

### Unit 4: Return and Risk

LH 10

The concept of return: components of return, importance of return, level of return, historical return, time value of money and return; Measuring return: real, risk-free and required returns, holding period return, the internal rate of return; Finding growth rates; The meaning of risk; Sources of risk; risk of a single asset: standard deviation, coefficient of variation; Assessing risk; and Combining risk and return.

**Unit 5: Modern Portfolio****LH 15**

Concept of portfolio; Portfolio objectives; Portfolio return and standard deviation; Correlation and diversification; International diversification; The Capital Assets Pricing Model (CAPM): components of risk, beta, estimating return using CAPM, the Security Market Line; Traditional approach of portfolio management; Modern portfolio theory: the efficient frontier, portfolio beta, the risk return tradeoff; and Reconciling traditional approach and modern portfolio theory.

**Unit 6: Common Stock Fundamentals****LH 8**

Pros and cons of stock ownership; Buying and selling of common stocks: reading the quotes, transaction costs, common stock values; Types of stocks and stock dividends; and Investment strategies.

**Unit 7: Common Stock Analysis and Valuation****LH 15**

Concept of fundamental analysis and technical analysis; Security analysis – principles and approaches; Economic analysis: economic analysis and business cycle, key economic factors, developing an economic outlook; Industry analysis: key issues, industry growth cycle, developing an industry outlook; Financial ratios – liquidity ratios, activity ratios, leverage ratios, profitability ratios, ROA-ROE interaction, common stock ratios; The valuation process; Stock valuation models: the dividend valuation model, other approaches to valuation – dividend-and-earnings approach, price/earnings approaches; Concept of market efficiency and behavioral finance.

**Unit 8: Fixed Income Securities****LH 10**

Meaning and types of fixed income securities; Features of a bond; Bond market performance; Bond's exposure to risk; Bond ratings; The market for debt securities: Treasury bonds, agency bonds, municipal bonds, corporate bonds; Specialty issues: convertible securities, zero coupon bonds, mortgage-backed securities, assets-backed securities, junk bonds; Global bond market; and Nepalese bond market.

**Unit 9: Bond Valuation****LH 12**

The behavior of market interest rates; The term structure of interest rates and yield curve; The pricing of bonds; Measures of yield and return: current yield, yield to maturity, yield to call, expected return; Duration and immunization: the concept of duration – measuring duration, bond duration and price volatility; Uses of bond duration measures; and bond investment strategies.

**Unit 10: Mutual Fund****LH 10**

The mutual fund concept; Advantages and drawbacks of mutual fund ownership; Organization and functioning of mutual funds; Open-end and closed-end funds; Exchange-traded funds; Important considerations in investing mutual funds; Other types of investment companies; Types of funds and services: types of funds, investors services; Investing in mutual funds; Investing in closed-end funds; Measuring performance; and Mutual funds in Nepal.

**Unit 11: Managing Portfolios****LH 10**

Constructing a portfolio; Evaluating the performance of individual investments; and Measuring the performance of investment vehicles; Assessing portfolio performance; Comparison of return with overall market measures: Sharpe's measure; Treynor's measure, Jensen's measure; Portfolio revision and Timing transactions.

**Unit 12: Derivative Securities****LH 10**

Basic features of put and call options; Advantages and disadvantages of puts and calls; Option markets; Stock option provisions; Put and call transactions; Other types of options: stock-index option, option in exchange-traded funds, interest rate options, currency options; Future market; Market structure; Trading in future market; Trading commodities; and Financial Futures.

**Project Work****LH 10**

After the completion of fourth year concentration classes the students shall have to prepare and submit a project work in the area they have specialized. The subject teachers have to discuss with students on possible topics of the project work, availability and sources of literature, availability of data, data collection methods, appropriate tools of data analysis, etc relevant to the subject within 10 lecture hours.

**Text and Reference Books**

Gitman, L. J. & Joehnk, M. D. *Fundamentals of investing*. New Delhi: Dorling Kindersley India.

Bodie, Z., Kane, A. & Marcus, A. J. *Essentials of Investment*. New York: Irwin McGraw-Hill.

Alexander, G. J., Sharpe, W. F. & Jeffery V. B. *Fundamentals of Investments*. Delhi: Pearson Education.

Reilly, F. K. *Investment analysis and portfolio management*. Singapore: South-Western/ Cengage Learning.

# FIN 254: Insurance and Risk Management

Full Marks: 100  
Pass Marks: 35

Lecture Hours: 150

## Course Objectives

The objective of this course is to familiarize students with the basic nature of risk and provide detail knowledge of insurance. The course also aims at providing necessary skills to analyze and shop appropriate life and non-life policies.

## Course Description

This course deals with basic nature of risk and the way it is managed by different types of insurance businesses. In this course, students will learn fundamental aspects of risk management along with general principles of insurance. Besides, they will also have an opportunity to learn the principles and processes of effecting life, health, and property and liability insurances. Students will also develop the necessary skills to evaluate and shop appropriate insurance policies. This course includes a total of 12 units, they are: Introduction to Risk and Insurance, Risk management, Risk Identification and Measurement, Fundamental Legal Principles and Insurance Contract, Life Insurance, Health Insurance, Automobile Insurance, Homeowners Insurance, Commercial Property Insurance, Commercial Liability Insurance, Social Insurance and Government Regulation of Insurance.

## Course Details

### Unit 1: Introduction to Risk and Insurance

LH 10

Meaning of risk; Peril and hazard; Basic categories of risk; Burden of risk on society; Methods of handling risk; Definition of insurance; Basic characteristics of insurance; Requirements of insurable risk; Types of insurance; and Benefits and costs of insurance to society.

### Unit 2: Risk Management

LH 10

Meaning of risk management; Objective of risk management; Steps in risk management process; Benefits of risk management; Personal risk management; The changing scope of risk management; Financial analysis in risk management decision making; and Other risk management tools.

### Unit 3: Risk Identification and Measurement

LH 10

Risk identification; Concept and use of probability in risk measurement; and Evaluating the frequency and severity of losses.

### Unit 4: Fundamental Legal Principles and Insurance Contract

LH 10

Legal principles; Requirements of an insurance contract; Distinct legal characteristics of insurance contract; and Basic elements of insurance contract.

### Unit 5: Life Insurance

LH 15

Meaning and importance of life insurance; Types of life insurance; Life insurance contract; Procedure of life insurance contract; Determining the premium of life insurance; Principles of investment of life fund; Distribution channels for life insurance; Group life insurance: concept, group life underwriting principles, group life insurance plans; and Life insurance in Nepal: evolution, current status, and major policies.

**Unit 6: Health Insurance****LH15**

Meaning and importance of health care insurance; Types: individual and group; Individual health care insurance coverage; Individual medical expense contractual provisions; Shopping for individual health insurance; Group medical expense insurance and plans: traditional indemnity plan, managed care plan, consumer-driven health plan; Group medical expense contractual provisions; Group-disability income insurance; and Health insurance in Nepal: current status and major challenges.

**Unit 7: Auto Insurance****LH 12**

Overview of automobile insurance; Liability coverage; Medical payment coverage; Uninsured and insured motorists coverage; Auto insurance pricing and underwriting: rating factors, underwriting, residual markets; Arguments for and against compulsory auto third party insurance; Tort liability and no-fault law; and Automobile insurance in Nepal: current status, process of effecting automobile insurance and major issues.

**Unit 8: Homeowners Insurance****LH 7**

Types of policies; Major coverage; Property loss settlement; Pricing homeowners policies; Personal umbrella policies; Coverage of high risk/ catastrophic perils; and Impact of catastrophes on property insurance.

**Unit 9: Commercial Property Insurance****LH 6**

Commercial package policy; Important forms: property coverage form, causes-of-loss form, reporting form; Business income insurance; and Transportation insurance: ocean marine insurance and inland marine insurance.

**Unit 10: Commercial Liability Insurance****LH 15**

General liability loss exposure; Commercial general liability policy; Workers' compensation insurance; Commercial motor vehicle liability insurance; Aviation liability insurance; Professional liability insurance; Directors and officers liability insurance.

**Unit 11: Social Insurance****LH 15**

Concept of social security scheme; Need of social insurance; Old-age survivors and disability insurance; Major benefits; Medicare; Unemployment insurance; Workers compensation; and Social security schemes in Nepal: current status and major issues.

**Unit 12: Government Regulations of Insurance****LH 15**

Rationale for insurance regulation; Methods of regulating insurers; Areas of regulation; Problems and issues in regulation; Features and coverage of existing Insurance Act and Insurance Regulation; Role and functions of Beema Samiti (Insurance Board) in regulating insurance in Nepal.

**Project Work****LH10**

After the completion of fourth year concentration classes the students shall have to prepare and submit a project work in the area they have specialized. The subject teachers have to discuss with students on possible topics of the project work, availability and sources of literature, availability of data, data collection methods, appropriate tools of data analysis, etc relevant to the subject within 10 lecture hours.

### **Text and Reference Books**

Rejda, G. E. *Principles of risk management and insurance*. New Delhi: Pearson Education.

Harrington, S. E., & Niehaus, G. R. *Risk management and insurance*. New Delhi: Tata McGraw-hill.

Vaughan, E. J. & Vaughan, T. M. *Fundamentals of risk and insurance*. New Delhi: Willey India.

Williams, C. A., Smith, M. L. & Young, P. C. *Risk management and insurance*. Ohio: McGraw Hill.

Dorfman, M. S. *Introduction to risk management and insurance*: New Delhi: Pearson Education.

Government of Nepal, Insurance Act.

Beema Samiti, Annual Reports of Beema Samiti

# MKT 250: Fundamentals of Selling

Lecture Hours: 150

Full Marks: 100

Pass Marks: 35

## Course Objective

This course aims to provide knowledge to the students about effective techniques of selling and developing practical skills in the selling job. An additional attempt has been made to familiarize the students with the sales force management technique.

## Course Description

This course contains introduction, understanding sales process, communication and transactional analysis in sales job, buyer behaviour and buying process, building future sales and customers relations, managing sales force in the organization, arrangement of sales territories, arrangement of sales quotas, international sales, evaluating, supervising and controlling sales and sales personnel

### Unit 1: Introduction

LH 17

Nature and meaning of selling; Marketing concept and selling; Role of selling in society and in firm; Duties of a sales representative; Types of sales job; Essential knowledge for successful selling; Qualifications for success in sales job; Theoretical basis of sales job – the *AIDAS* approach, the *RIGHT SET OF CIRCUMSTANCES* approach, the *BUYING FORMULA* approach, and the *BEHAVIORAL EQUATION* approach.

### Unit 2: Understanding Sales Process

LH 17

Pre-sale preparations; Prospecting and qualifying potential customers; Pre-approach planning; Approaching the prospects; Sales presentation and product demonstration; Handling customers' objections; Closing the sales; Follow-up Action.

### Unit 3: Communication & Transactional Analysis in Sales Job

LH 13

Meaning and process of communications; Two-way communications: listening and questioning; Verbal and non-verbal communications; Transactional analysis – concept and methods of analysis; Hooking the adult; Role of Communications in Selling Job; Factors affecting effective communication.

### Unit 4: Buyer Behaviour and Buying Process

LH 13

Meaning of buyer Behavior; Types of buyers – Individual buyer and Industrial buyer; Individual Buying process; Factors affecting the buying decisions; Organizational buying process; Collecting information about buyers; Customer care and satisfaction.

### Unit 5: Building Future Sales and Customers Relations

LH 15

Developing goodwill – meaning and importance; Methods of establishing goodwill; Analyzing the types of customers and their characteristics; Methods of improving relations with the non-buyers; Understanding the nature of after-sale or post-sales services to the customers – knowledge about the use of product, adequacy of product information, need for help and nature of services by the customer, and understanding the promises (warranty and guarantee); Handling customer complaints – need for handling customers' complaint and methods of handling customer complaints.

**Unit 6: Managing Sales force in the Organization****LH 15**

Meaning and tasks of sales force management; Designing the sales force; Recruitment and selection of sales force; Challenges in sales force selection; Training the sales force; Remunerating/compensating the sales force; Directing and motivating the sales force.

**Unit 7: Arrangement of Sales Territories****LH 11**

Meaning of sales territory; Need for establishing sales territories; Reasons for not having sales territories; Elements of territory management: establishing sales quota, account analysis, developing account objectives and sales quotas, territory-time allocation, customer sales planning, scheduling and routing, territory and customer evaluation.

**Unit 8: Arrangement of Sales Quotas****LH 11**

Meaning and objective of sales quotas; Types of sales quotas; Methods of setting sales quotas; Problems of establishing sales quotas.

**Unit 9: International Sales****LH 13**

Introduction; Sales opportunities abroad; Identifying buyers in foreign markets; Methods of selling in foreign markets; Difficulties in selling abroad; Major tools in international sales: Internet marketing/e-marketing, referral marketing, and direct marketing.

**Unit 10: Evaluating, Supervising and Controlling Sales and Sales Personnel****LH 15**

Meaning and need of sales evaluation, supervision and control; Process of sales control; Controlling sales personnel through supervision; Tools of sales control and analysis – Sales audit, Market audit, Sales force expense analysis; Methods of measuring sales organization effectiveness – sales analysis, marketing cost analysis, classification of marketing expenses, credit control, market share analysis, budgetary control, ratio analysis, management objectives (MBO)

**Project Work****LH 10**

After the completion of fourth year concentration classes the students shall have to prepare and submit a project work in the area they have specialized. The subject teachers have to discuss with students on possible topics of the project work, availability and sources of literature, availability of data, data collection methods, appropriate tools of data analysis, etc relevant to the subject within 10 lecture hours.

**Basic Books**

Pederson, Carlton A., Wright, M. D., and Wright, B. A., *Selling: Principles and Methods*, Richard D. Irwin. Cooper, Simon, *Selling: Principles, Practice and management*, Pitman Publishing, London.

**Reference Books**

Shrestha, S. K., *Fundamentals of Selling*, Kathmandu: Book Palace.  
Futrell, Charles., *ABCs of Selling*, New Delhi: RichardD. Irwin Inc. Homewood,  
Still, R. R., Cundiff, E. W., Bovoni, & Norman, A. P., *Sales Management: Decisions, Strategies and Cases.*, New Delhi: Prentice hall of India  
Sharma, G. R., *Fundamentals of Selling*, Kathmandu: Taleju Prakashan.



# MKT 251: Customer Relationship Management

Full Marks: 100

Pass Marks: 35

Lecture Hours: 150

## Course Objective

This course aims at providing fundamental knowledge to the students about the customer relationship management and develops skill on automating and improving the business processes associated with managing customer relationships in the areas of sales, marketing, customer-service and support. This course also helps them in acquiring, developing and retaining the satisfied loyal customers; achieving profitable growth, and creating economic value in a company's brand.

## Course Description

This course contains introduction, customer care and delighting customers, building customer loyalty, customer retention, measuring customer satisfaction, customer service planning, and implementation of customer relationship management system, customer data management and warehousing,

CRM practices in Nepal.

### Unit 1: Introduction

LH 20

Concept of CRM; Reasons for Customer Relationship Management; CRM in Marketing; Value of Customer Relationship Management – *to organization and customer*; Types of Customer Relationship Management; Various Aspects of CRM; Stages of CRM Strategy.

### Unit 2: Customer care and delighting customers

LH 15

Concept of Customer Care and Delighting Customers; Customer Value and Expectations; Customer Care and Delighting Programs.

### Unit 3: Building customer loyalty

LH 10

Concept and Importance; Factors Affecting Customer Loyalty; Attitudinal and Behavioral Components of Loyalty.

### Unit 4: Customer retention

LH 15

Concept and Importance; Analysis of Customer Life Cycle; Reasons for Lost Customers; Customer Retention Strategies; Management of Customer Complaints.

### Unit 5: Measuring customer satisfaction

LH 20

Concept of Customer Satisfaction; Reasons for Measuring Customer Satisfaction; Benefits of Measuring Customer Satisfaction; The Costs of Poor Service and Poor Quality; Conducting Customer Satisfaction Survey; Triangular Relationship in Customer Satisfaction – *Customer Satisfaction, Employee Satisfaction and Company Management Satisfaction*; Tools and Techniques of Measuring Customer Satisfaction.

**Unit 6: Customer service planning****LH 20**

Concept of Customer Service; Cost and Value of Customer Service; Developing Customer Service Strategy; Monitoring and Controlling Customer Service Strategy ; Managing Customer Service and Total Service Quality .

**Unit 7: Implementation of customer relationship management system****LH 15**

Concept of Implementing CRM System; Considerations in CRM Implementation; Potential Problems in CRM Implementation; Avoiding the Problems of CRM Implementation; Steps in CRM Implementation.

**Unit 8: Customer data management and warehousing****LH 18**

Information Technology and CRM; Sources of Customer Data – Internal and External Sources; Tools and Techniques of Data Collection – Publications, Internet, marketing intelligence system, etc.; Concept and Components of Data Warehouse – large reservoir, business dimensions, and easy retrieval; Steps in Data Warehousing;

**Unit 9: CRM practices in Nepal****LH 15**

Evolution of CRM; The Global Dimension of CRM; Implementation of CRM System In Nepalese Enterprises; The Future of CRM System; Project work need to be assigned to students.

**Project Work****LH 10**

After the completion of fourth year concentration classes the students shall have to prepare and submit a project work in the area they have specialized. The subject teachers have to discuss with students on possible topics of the project work, availability and sources of literature, availability of data, data collection methods, appropriate tools of data analysis, etc relevant to the subject within 10 lecture hours.

**Suggested Books**

Anderson, K., & Carol, K., *Customer Relationship Management* , New York: McGraw-Hill, USA.

Bhat, K. G., *Customer Relationship Management*, New Delhi, Himalaya Publishing House, Mumbai, India.

Sharp, E. D., *Customer Relationship Management Handbook*, New York: Auarbach Publications, London.

Graham Roberts-Phelps – *Customer Relationship Management: How to turn a good business into a great one*, London: Thorogood Publications.

Zikmund, W. G., Raymond, M. L., & Faye, W. G., *Customer Relationship Management*, Singapore: John Wiley & sons (Asia) Pte. Ltd.

# **MKT 252: Foreign Trade & Export Management in Nepal**

*Lecture Hours: 150*

*Full Marks: 100*

*Pass Marks: 35*

## **Course Objective**

This course aims at providing basic understanding of the theories, processes and components of foreign trade and export management. In addition, this course also aims to impart practical knowledge of the operational aspects of export, import and transit management in Nepal.

## **Course Description**

This course contains introduction, commercial and industrial policy, balance of payments and adjustment, export promotion through EPZ and SEZ, export procedure and documentation, export finance, transit System and its arrangements in Nepal, role of regional economic cooperation & international organizations in Nepal's foreign trade.

## **Course Details**

### **Unit 1: Introduction**

**LH 15**

Nature of Nepal's Foreign Trade; Import and Export Structure of Nepal; Diversification of Nepal's Trade; Role of foreign trade in economic development of the country; Nepal in the Global Trade.

### **Unit 2: Commercial and Industrial Policy**

**LH 18**

Introduction; Free Trade vs. Protectionism; Trade Barriers: Tariff and Non-tariff Barriers; Nature and Components of Commercial policy of Nepal; Provisions of Nepal's Commercial Policy; Role of trade and industrial policy in export promotion.

### **Unit 3: Balance of Payments and Adjustment**

**LH 19**

Nature and Components of Balance of Payments; Review of Nepal's Balance of Trade and Balance of Payments Situation; Reasons for Widening Gap between Import and Export; Problems of Export Trade of Nepal; Government's Efforts in bridging Gap between Import and Export; Efforts of Private Sector for Export Promotion; Import Control Measures in Nepal.

### **Unit 4: Export promotion through EPZ and SEZ**

**LH 19**

Concept and Need of Export Processing Zones (EPZ) and Special Economic Zones (SEZ); Development of SEZs in Asian Countries; Development of SEZ in Nepal; Government's Policy regarding SEZ.

### **Unit 5: Export Procedure and Documentation**

**LH 17**

Preliminary Requirements in Export Executions; Stages in Export Procedure; Export Procedure in Nepal; Requirement of Export Documents; Export Custom Points in Nepal; Products Banned for Export in Nepal.

### **Unit 6: Export Finance**

**LH 14**

Concept and Types of Export Finance; Need of Export Finance; Pre-shipment Finance – concept and types; Post-shipment Finance – concept and types; Export Credit and Financing in Nepal; Methods of Export Payment; Market Study is needed.

## **Unit 7: Transit System and its Arrangements in Nepal**

**LH 19**

Land-locked Character and Nature of Transit problems; Land-locked Countries of the World and their Transit Trade Situation; Cost of Transit problems; An Overview of Nepal's Trade and Transit Arrangements; Nepal's Trade and Transit Agreements with Neighboring Countries; Nepal's Trade and Transit Arrangements with India, Bangladesh and China.

## **Unit 8: Role of Regional Economic Cooperation & International Organizations in Nepal's Foreign Trade**

**LH 19**

Concept and Need of Regional Economic Integration/Cooperation; Forms of Regional Integration; Understanding the role of SAARC, ASEAN, and EU; Role of SAARC and BIMNST-EC in Nepal's Export Promotion; Role of Multilateral Trading System in Nepal's Foreign Trade; A small project work is needed.

## **Project Work**

**LH 10**

After the completion of fourth year concentration classes the students shall have to prepare and submit a project work in the area they have specialized. The subject teachers have to discuss with students on possible topics of the project work, availability and sources of literature, availability of data, data collection methods, appropriate tools of data analysis, etc relevant to the subject within 10 lecture hours.

## **Basic Books**

Rathor, B. S. & Rathor, J. S., *Export marketing*, Mumbai: Himalaya Publishing House.  
Cherunilam, F., *International Trade and Export management*, Mumbai: Himalaya Publishing House.  
Mannur, H. G., *International Economics*, New Delhi: Vikas Publishing House.

## **References Books**

Basnet, K. K., *A Study of Nepal's Transit Arrangement, (Nepali Version)*, Kathmandu: Nepal Adhyayan Samuha.  
Gupta, K. R., *International Economics*, Bombay: Himalaya Publishing House.  
Nepal Law Society, *Landlocked States and Access to Sea*, Kathmandu.  
Shrestha, S. K., *Export Market Management in Nepal: A critical study*, Kathmandu: Padma Educational Enterprise,  
Trade and Transit Agreements of Nepal with Foreign Countries  
Various Publications of ETPC, SAARC Secretariat, WTO, UNCTAD, ITC, FNCCI, Chamber of Commerce, and others.

# **MKT 253: Fundamentals of Advertising**

*Full Marks: 100*

*Pass Marks: 35*

*Lecture Hours: 150*

## **Course Objective**

This course aims to provide knowledge to the students about basic concept of advertising and make them able to analyze the functions of advertising business and develop basic skill in designing advertisements, planning media selection and advertising budgeting.

## **Course Description**

This course contains introduction, advertising business and advertising agencies, creation of advertisements, designing the advertising message/ advertising appeals, media planning and scheduling, establishing and allocating advertising budget, measuring advertising effectiveness, advertising business practices in Nepal.

## **Course Details**

### **Unit 1: Introduction**

**LH 17**

Advertising and Marketing Communication; Objectives and Elements of Advertising; Role of Advertising to Firm, Consumers and Society; Types of Advertisements; Social Ethics and Advertising Business;

### **Unit 2: Advertising Business and Advertising Agencies**

**LH 17**

Key Players in Advertising Business; Role and Functions of Advertising Managers; Role and Types of Advertising Agencies in Advertising Business; Selection Criteria of Advertising Agency;

### **Unit 3: Creation of Advertisements**

**LH 17**

Creative Advertising and Its Features; Creative Process or Visualization process of an Advertisement Copy; Creation of a Print Copy, Radio Commercials, Web Advertisements, and Television Commercials; Creative Persons in Creating an Advertisement Copy; Meaning and Types of Advertisement Copy; Major Components of an Advertisement Copy; Essentials of a Good Advertisement Copy; Concept, Functions and Principles of a Good Advertisement Layout;

### **Unit 4: Designing the Advertising Message**

**LH 15**

Concept and Essentials of an Effective Advertising Message; Use of Unique Selling Propositions (USP) in Message Design; Models of Message Design: Heart & Heart, Advertising Effectiveness, and MECCA Models; Message Strategies: Cognitive, Affective, Conative and Brand Image Strategies;

### **Unit 5: Advertising Appeals**

**LH 14**

Concept and Types of Advertising Appeals: Rational, Emotional, and Sex Appeals; Essentials of a Good Advertising Appeal; Role of Various Colors in Advertisement; Market survey is needed

**Unit 6: Media Planning and Scheduling****LH 17**

Concept and Process of media Planning; Types and Characteristics of Advertising Medias; Role of Media Research in Media Planning; Media Selection Criteria; Concept and Methods of Media Scheduling.

**Unit 7: Establishing and Allocating Advertising Budget****LH 14**

Concept and Need of Advertising Budgeting; Expenses in Advertising Business; Factors Affecting the Advertising Budget Size; Process of Setting the Advertising Budget; Approaches to Advertising Budgeting; Methods for Establishing Advertising Budget

**Unit 8: Measuring Advertising Effectiveness****LH 14**

Concept and Importance of Effectiveness Measurement: Effectiveness Testing Areas: Market; Message; Media; Motives and Mission; and Overall Results; Copy Testing: Concept and Methods; Measurement of Overall Effectiveness of Advertising Campaign: PACT & DAGMAR Models; Leveraging other components of promotion-mix in advertising;

**Unit 9: Advertising Business practices in Nepal****LH 15**

Historical Development of Advertising Business in Nepal; Advertising Agencies in Nepal and Their Role in Promoting Advertising Business in Nepal; Development of Print and Audio-Visual Advertisements in Nepal; Individual Consumers and Social Perception on the Use of Sex Appeals in Nepalese Advertisements ; Role of Advertising Association of Nepal in Advertising Business in Nepal;

**Project Work****LH 10**

After the completion of fourth year concentration classes the students shall have to prepare and submit a project work in the area they have specialized. The subject teachers have to discuss with students on possible topics of the project work, availability and sources of literature, availability of data, data collection methods, appropriate tools of data analysis, etc relevant to the subject within 10 lecture hours.

**Basic Books**

Belch and Belch: *Advertising and promotion: An Integrated marketing Communications Perspective*, New Delhi: TATA McGRAW-HILL.

Jethwaney, J. & Jain, S., *Advertising Management*, New Delhi: Oxford University Press,

O'Guinn, Allen and Semenik: *Advertising and Integrated Brand Promotion*, NewDelhi Thomson South-western.

**Reference Books**

Sharma, Sangeeta and Singh, Raghuvir: *Advertising Planning and Implementation*, New Delhi: Prentice-Hall of India.

Sontakki, C. N.: *Advertising*, New Delhi: Kalyani Publishers.

Willmshurst and Mackay: *The Fundamentals of Advertising*, New Delhi: Butterworth-Heinemann.

Agrawal, Govind Ram : *Marketing Communicartion and Fundamentals of Advertising*, Kathmandu: MK Publisher & Distributors.

Koirala, Kundan : *Marketing communications*, Kathmandu: Buddha Academic Publishers & Distributors,

# **MKT 254: Fundamentals of Services Marketing**

*Lecture Hours: 150*

*Full Marks: 100*

*Pass Marks: 35*

## **Course objective**

This course aims to impart fundamental knowledge about marketing of services and service industries. In addition, this course also makes an attempt to acquaint knowledge to them regarding service marketing practices in Nepal.

## **Course Description**

This course contains introduction, models in service marketing, marketing segmentation, targeting and positioning for services firm, customer perception and expectations of services, buyer behavior and relationship marketing, service product and quality management, pricing strategies for services, promotion strategies for services, distribution strategies for services, emerging service sectors in Nepal.

## **Course Details**

### **Unit 1: Introduction**

**LH 17**

Meaning, characteristics and classification of services; Fundamental difference between goods and services; Emerging key services; Reasons for the growth of services sector; Challenges in service sector; Concept and importance of services marketing; Marketing mix for services.

### **Unit 2: Models in Services Marketing**

**LH 8**

The molecular model; The servunctional model; The industrial management model The market-focused management model.

### **Unit 3: Market Segmentation, Targeting and Positioning for a services Firm**

**LH 9**

Concept and process of market segmentation for service product; Market segment strategies for service products; Concept and process of service positioning in the target market; Service positioning strategies.

### **Unit 4: Customer Perceptions and Expectations of Services**

**LH 17**

Customer perception on service products; Customer satisfaction and service quality; Gap model of service quality; Concept of customer expectations and factors influencing customer expectations; Service encounters and moment of truth; Management of customer service expectation; A process model of customer service expectation management.

### **Unit 5: Buyer Behaviour and Relationship Marketing**

**LH 15**

Understanding buyer behavior; Factors influencing buyer behavior; Meaning and importance of relationship marketing; Difference between transactional selling and relationship marketing; Customer development process; Customer relationship development strategies; Customer value building approaches.

### **Unit 6: Service Product and Quality Management**

**LH 15**

Concept and nature of service product; New service product and service product development; Life-cycle strategies for service products; Branding the service product; Maintaining service quality and model of service quality; Service-profit chain strategy; Researching service quality and setting quality standard.

**Unit 7: Pricing Strategies for Services****LH 15**

Pricing objectives and buyers' perception of value; Considerations of services pricing – demand considerations, cost considerations, competition considerations, legal considerations; Emerging service pricing strategies – satisfaction-based pricing, relationship pricing, efficiency pricing.

**Unit 8: Promotion Strategies for Services****LH 15**

Meaning and objective of promotion for service product; Communication process for service product; Promotion mix for service product; Selection strategies for selecting the promotion mix; Integrated marketing communication for service product – service promised, communicated message, internal communication, and guarantees; Social ethics in service promotion.

**Unit 9: Distribution Strategies for Services****LH 15**

Nature of distribution for service products; Factors affecting the choice of distribution channels; Distribution strategies – intensive, selective and exclusive; Managing distribution channels – selection, motivation, training, evaluation, managing conflict; Role of Internet in global distribution system.

**Unit 10: Emerging Service Sectors in Nepal****LH 14**

Introduction; Healthcare sector; Banking sector; Insurance sector; Tourism sector; Communication and networking sector; Hydro power sector.

**Project Work****LH 10**

After the completion of fourth year concentration classes the students shall have to prepare and submit a project work in the area they have specialized. The subject teachers have to discuss with students on possible topics of the project work, availability and sources of literature, availability of data, data collection methods, appropriate tools of data analysis, etc relevant to the subject within 10 lecture hours.

**Basic Books**

Jauhari, V. & Dutta, K., *Services Marketing, Operations, and Management*, New Delhi: Oxford University Press  
Palmer, A., *Principles of Services Marketing*, London: McGraw-Hill International Edition.  
Woodruff, H., *Services Marketing*, New Delhi: Macmillan India Ltd.

**References Books**

Lovelock, C., *Service Marketing*, New Delhi: Pearson Education Asia  
Apte, G., *Services marketing*, New York: Oxford University press  
Payne, A., *The Essence of Services marketing*, New Delhi: Prentice Hall of India.  
Balaji, B., *Services Marketing and Management*, New Delhi: School and Co. Ltd.  
Zeithaml, V. A., Bitner, M. J., Gremler, D. D., & Pandit, A., *Services Marketing*. New Delhi: Tata McGraw-Hil.



# MGT 250: Entrepreneurship and Small Business Management

Lecture Hours: 150

Full Marks: 100

Pass Marks: 35

## Course Objectives

The main objective of this course is to provide basic knowledge and practice of entrepreneurship and small business management.

## Course Description

This course contains meaning of small business, causes of failure of small business, importance of location of business, nature and importance of management, nature of capital needs, factors for product-line decision, sources of long-term funds, management of small retail store.

## Course Details

### Unit 1: Introduction

LH 7

Concept, becoming an entrepreneur, key elements of entrepreneurship, characteristics of successful entrepreneurs, common myths about entrepreneurs, types of start-up firms, Importance of entrepreneurship- entrepreneurial firms, society and larger firms, The process of new venture creation, ; Entrepreneurship Vs entrepreneurship Vs salaried employees; Comparative advantage and disadvantages of salaried employment; Positive and negative aspects of entrepreneurship; Entrepreneurship qualifications Entrepreneurship development in Nepal.

### Unit 2: Meaning of Small Business

LH 12

Relative importance of small business; Features of small business in developed and developing countries; Small business in Nepalese economy; Strengths and weakness of small business; Importance of small business; Role of human resources in small business, Identifying and recognizing opportunities-observing trends and solving problems, personal characteristics of the entrepreneur, techniques for generating ideas, encouraging and protecting new ideas; linking creativity, innovation and entrepreneurship.

### Unit 3: Causes of Failure of Small Business

LH 17

Sources of idea generation for small business; Different ways of business ownership; Pros and cons of buying, inheriting and starting a new business; Forms of business organizations and their relative importance; Introduction and role of small business promotion centre; Role of Ministry of Commerce and Industry in promoting and strengthening small business in Nepal; Acts regulating small business in Nepal. History and evolution of franchising opportunities; Relative advantages and disadvantages of franchising; Evaluating franchising opportunities; Scope and practice of franchising in Nepalese context; Failure symptoms; Failure trend of small firms in Nepalese economy.

### Unit 4: Importance of Location in Business and feasibility Analysis

LH 16

Factors affecting location sustainability; Choice of location; Agencies that assist in choosing location; Special location problems for small wholesaling, service and retailing business; Physical facilities and their minimum requirements; Factors in acquiring appropriate physical facilities; Problems of physical facilities; Layout of physical facilities; Effective use of physical facilities, Concept, product/service feasibility, industry/target market feasibility analysis, organizational feasibility analysis and financial feasibility analysis.

**Unit 5: Nature and Importance of Management and Start-Up of Business****LH 28**

Management functions and their applicability; Sources of management assistance; Management of time in small business; Economics of small business strategy; Objectives of small business; Social responsibility of small business; Small business and firms; Planning in small firms; Steps In planning procedure; Types of plans; Decision-making functions and its relevancy; Steps in decision-making; Major quantitative tools to aid decision making; Organizational structures and their comparative advantages and disadvantages; Formal and informal organizational structure; Factors for effective organization; Recruitment and selection; Use of personnel manager and important personal functions; Human relations approach; Factors for good human relations. Recruiting and selecting key employees, selecting a market and establishing a position, key market issues for new ventures, the 4 Ps of marketing for new ventures; Nature of business growth, planning for growth, reasons for growth and managing growth, knowing and managing the stages of growth, managing capacity, day-to-day challenges of growing a firm.

**Unit 6: Nature of Capital Needs****LH 11**

lenders and investors, funding requirements, sources of personal financing, venture capital, commercial banks, sources of debt financing; Estimating capital requirements; Sources of funds; Nature of credit selling; Decision in relation to terms of sales: cash or credit; Procedure in credit operation.

**Unit 7: Factors for Product-line Decision****LH 14**

Factors for pricing decision; Elements of personal selling; Advertising and sales promotion; Marketing research techniques and activities; Motivation research; Use of consultants in marketing research.

**Unit 8: Sources of Long-term Funds****LH 12**

Concept and application of capital budgeting in small business; Maintenance of accounting records; Preparation of financial statements; Analysis of financial statements to facilitate management control.

**Unit 9: Management of Small Retail Store****LH 23**

Operating method of small retail store; Problems and deficiencies in the operations of small stores in Nepal; Service firm; as a small business; Operation and unique characteristics of service firms; Material and alike problems of service firms in Nepal; Operation of small manufacturing plant as small business; Operating methods; Focus and problems of small manufacturing plants in Nepal.

**Project Work****LH 10**

After the completion of fourth year concentration classes the students shall have to prepare and submit a project work in the area they have specialized. The subject teachers have to discuss with students on possible topics of the project work, availability and sources of literature, availability of data, data collection methods, appropriate tools of data analysis, etc relevant to the subject within 10 lecture hours.

**Basic Books**

Siropolis, N. C., *Small Business Management*, Houghton Mifflin Company, Dallas

Broom, H.N., J.G. & Moore, C.W., *Small Business Management*, South-Western Publishing Co., Dallas.

**Reference Books**

Schaper, M., Volery, T. Weber, P. & Lewis, K. *Entrepreneurship and Small Business*, 3<sup>rd</sup> Asia-Pacific Edition.

Holt, D.H. *Entrepreneurship New Venture Creation*, New Delhi: Prentice-Hall.

Mariotti, S. & Glackin, C., *Entrepreneurship and Small Business Management*, Pearson.

Zivetz, Lausiz, *Private Enterprise and the State in Modern Nepal*, New Delhi: Oxford University Press

Steinhaff, Dan & Burgess, J.F., *Small Business Management Fundamentals*, Tokyo: McGraw Hill

# MGT 251: International Business

Full Marks: 100

Pass Marks: 35

**Lecture Hours: 150**

## Course Objectives

The basic objective of the course is to provide the students the fundamental knowledge of the international business environment and marketing. The course also aims to develop students' skills to apprehend the international business performance.

## Course Details

### Unit 1: The Nature of International Business

**LH 10**

Definition, nature, components, scope, opportunities and challenges of IB. History of IB. Domestic Vs IB. Factors leading to the growth of IB.

### Unit 2: Global Economy and Regional Economic Integration

**LH 22**

Structure of the global economy-matured market system, developing economic and other economic systems. Transition in the economic system.

**Regional Economic Integration-** Concept and purpose. Types of integration- preferential trading agreements, free trade area, custom union, common markets, and economic union. Benefits and costs of economic integration.

### Unit 3: Globalization and International Business

**LH 15**

Concept, nature and stages of globalization. Process and forms of globalization. Components of globalization. Characteristics of contemporary world business. WTO – origin, objectives, structure and functions. Concepts of globalization and international business; Factors affecting globalization; Reasons for international business expansion; Drivers of market globalization; Domestic vs international business.

### Unit 4: Modes of Entering IB

**LH 22**

Determinants of entry modes. Contractual entry modes – licensing, franchising, management contract, turn-key projects. Foreign Direct Investment (FDI) – concept, trends in FDI, strategies and techniques of FDI. Mergers and acquisitions. Strategic alliances – nature, benefits, scope of international strategic alliances.

### Unit 5: International Business Environment

**LH 34**

Political and legal systems; Actors in political and legal systems; Political risks; e-commerce and intellectual property rights; Government interventions and investment barriers; – concept, types of economic systems and structures, Competition, privatization and deregulation. Preliminary economic indicators. Process of analyzing economic environment. . International monetary system – determination of exchange rates, fixed vs. floating exchange market. World's main financial markets. Techniques of financing foreign trade. Exchange control and liberalization. International payment systems. Regional economic integration – types, leading economic blocs; Emerging foreign markets; The changing demographics of the global economy; International monetary and financial environment – currencies and exchange rate systems; The floating exchange rate system; Modes of payment in international trade; Global financial system; International economic institutions; WTO and free trade policies. Socio-cultural environment – concept, cultural diversity. Implications of cross-culture for IB. national differences in terms of ethics and social responsibility, why culture matters in international business?

## **Unit 6: Planning, Organization, and Control of IB**

**LH 22**

Planning – the nature of planning, strategic plans, types of planning systems, gap analysis.

Definition, and characteristics of MNCs , Organization structure for MNCs – functional structure, regional structure and product structure, span of control, criticisms of MNCs, conflict with host country.

Control – nature, control systems. Headquarters – subsidiary relations, Appraising the performance of foreign subsidiaries.

## **Unit 7: Strategies for IB**

**LH 15**

Concept, features, process, strategic objectives, strategy formulation, product portfolio analysis – advantages and problems of portfolio analysis. Competitive strategy. Sources of competitive advantages. The value chain. Critical success factors. Strategy and opportunity assessment; Role of strategy in international business; Estimating market potential; Choosing a strategy; Entering and operating in international markets – exporting and importing, collaborative ventures and strategic alliances, licensing, franchising; Global outsourcing; MNCs and Foreign Direct Investment (FDI) in the world economy – concept, types and trends.

## **Project Work**

**LH 10**

After the completion of fourth year concentration classes the students shall have to prepare and submit a project work in the area they have specialized. The subject teachers have to discuss with students on possible topics of the project work, availability and sources of literature, availability of data, data collection methods, appropriate tools of data analysis, etc relevant to the subject within 10 lecture hours.

## **Basic Books**

Bennet, R., *International Business*, New Delhi : Pearson Education.

Aswathappa, K., *International Business*, New Delhi : Tata Mc-Graw Hill.

## **Reference Books**

Sharan, V. *International Business*, New Delhi: Pearson Education

Rao, P. S. *International Business*, Mumbai: Himalaya Publishing House

Daniels & Radhebaugh, L.H., *International Business*, New Delhi: Pearson Education.

# **MGT 252: Management of Industrial Relations**

**Lecture Hours: 150**

**Full Mark: 100**

**Pass mark: 35**

## **Course Objectives**

This course aims to familiarize the students with the basic concepts of Industrial relations. It will also focus on the structure of trade unionism, industrial disputes and its settlement, participative management, wage determination and other related issues.

## **Course Description**

This course contains introduction to industrial relations, trade unionism and employer's association, prevention and settlement of industrial disputes, industrial democracy and participatory management, labour legislation, wage determination, ILO and Nepal, labor welfare and social security, technology and industrial relations, industrial relations scenario in Nepal.

## **Course Details**

### **Unit 1: Introduction to Industrial Relations**

**LH 8**

Concept and meaning of IRs, objectives and scope of industrial relations, forms of industrial relations, theories of industrial relations, actors of Industrial relations, the system perspectives of industrial relations, industrialization strategy and industrial relations.

### **Unit 2: Trade Unionism and Employers' Association**

**LH 18**

Concept, functions and objectives of trade union and employer's associations, emergence of trade unionism,, trade union activities, trade unions in service sector, structure of trade unions in Nepal, trade union movement in Nepal, trade unions related issues in Nepalese organizations, provisions in Trade Union Act 2049 (1992),origin, growth and types of trade unionism and employers association in Nepal

### **Unit 3: Prevention and Settlement of Industrial Disputes**

**LH 27**

Concept and causes of disputes, typology of industrial disputes: Individual and collective disputes, interest and right disputes; Prevention of disputes: Code of conduct, handling employee grievances, Grievance machinery, maintain discipline; Settlement of disputes: Collective bargaining: concept and process, nature of collective bargaining, collective bargaining as a method of wage fixation, prerequisite for collective bargaining, negotiating techniques and skills, types of collective bargaining contracts, provisions of collective bargaining in Nepal, collective bargaining issues in Nepalese organizations; Conciliation and arbitration; Legal framework for settlement of industrial disputes resolution in Nepal

### **Unit 4: Industrial Democracy and Participatory Management**

**LH 20**

Concepts of Industrial Democracy and Participatory Management; Schemes of workers' participation in management, determinants of workers' participation in management, workers' empowerment-techniques quality circle and its application Kaizen and its benefits quality of work life and work behavior, joint work committees, managing good industrial relations- problem and prospects future of industrial relations; Workers' participation in management in Nepal: Legal provision and practices

**Unit 5: Labour Legislation****LH 15**

Concept; Objectives of labour legislation; Labour legislation in Nepal:  
Labour Act, Trade Union Act and Bonus Act

**Unit 6: Wage Determination****LH 14**

Concept of wages; Methods and criteria of wage determination; Minimum wages in Nepal; Wages and productivity

**Unit 7: ILO and Nepal****LH 13**

Governing principles and objectives of ILO; Functions and activities of ILO; Structure of ILO; Labor standards; ILO's activities in Nepal

**Unit 8: Labor Welfare and Social Security****LH 15**

Concept and objectives of labor welfare; Types of labor welfare programs; Concept and Methods of social security; Labor welfare and social security in Nepal

**Unit 9: Technology and Industrial Relations****LH 10**

Modernization of work processes; Effects of New Technology in Employment; Trade unions and technological change; Managing technological change

**Unit 10: Industrial Relations Scenario in Nepal****LH 10**

Historical perspective and Current scenario; Emerging trends and issues if IRs in Nepalese organizations.

**Project Work****LH 10**

After the completion of fourth year concentration classes the students shall have to prepare and submit a project work in the area they have specialized. The subject teachers have to discuss with students on possible topics of the project work, availability and sources of literature, availability of data, data collection methods, appropriate tools of data analysis, etc relevant to the subject within 10 lecture hours.

**Basic Books**

Monappa, A., *Industrial Relations*, New Delhi: Tata-McGraw Hill.

Verma, P., *Management of Industrial Relations*, New Delhi: Oxford and IBH.

Singh, B.D. *Industrial Relations and Labour Laws*, New Delhi : Excel Book.

Bhatia, S.K. *constructive Industrial relations and Labour Laws*, New Delhi: Deep & Deep Publications, India

Monappa, A., Nambudiri, R.& Selvaraj, P. *Industrial Relations and Labour Laws*, Tata McGraw Hill Education Pvt. Ltd.

Salamon, M., *Industrial Relations: Theory and Practice*, New delhi: Prentice Hall

Sihna, P.R.N., *Industrial Relations*, Trade Unions and Labour Legislation, New Delhi: Pearson Education

Ratnam, C.S.V., *Industrial Relations*, New Delhi: Oxford University Press, India.

**Reference Books**

Kanoon Byabasta Samiti, *Trade Union Act, Labour Act, and Bonus Act of Nepal*.

ILO, *Labour Adminstration: A Profile on Nepal*, Kathmandu: the Office of the ILO Advisor.

Pant, Prem R. and Manandhar, Narayan (eds), *Industrial Relations in Nepal: A book of Readings*, Kathmandu: FNP and IRF.

Shrestha, B.M., *Industrial Relations Management (Theory and Practice)*, Kathmandu: Akshalok Prakashan,

# MGT 253: Productivity Management

Lecture Hours: 150

Full Marks: 100

Pass Marks: 35

## Course Objectives

The course aims to provide the students with the knowledge of the productivity management, and the develop the knowledge and skill of the students of using the tools and techniques of productivity improvement.

## Course Description

This course contains introduction to productivity management, factors affecting productivity management, productivity improvement tools and technique, productivity movement and international and regional cooperation, productivity in Nepal.

## Course Details

### Unit 1: Introduction

LH 33

Definition of Productivity; Concept and Misconception of Productivity (Production vs. Productivity, Efficiency, Profitability); the importance and role of productivity, productivity management system, productivity policy, approaches to productivity appraisal- total productivity, labor productivity, government and public sector productivity appraisal, comparing and analyzing productivity; approaches to productivity analysis in the enterprises- the Kurosawa structural approach, Lawlor's approach, Gold's approach, quick productivity appraisal approach, Inter-firm comparison, Quality and Productivity Management.

### Unit 2: Factors Affecting Productivity and Productivity Improvement

LH 37

Internal factors: Hard factors and Soft factor; External factors: Structural adjustments, Natural resources, Government, Infrastructure and Others, General considerations, productivity improvement programs: concepts and key elements, organizational approaches to productivity improvement programs, Levels of Productivity Measurement: Macro Level and Micro Level; Types of Productivity Measurement: Total Productivity; Total Factor Productivity; Partial Productivity (Labor, Capital and Materials); Productivity Measurement Approaches (Physical Measurement, Value Measurement and Value-Added Measurement) major variations of productivity programs, productivity improvement techniques- industrial engineering and behavioral, productivity improvement strategies and action plans.

### Unit 3: Productivity Measurement

LH 28

Concept, objectives of productivity measurement, Levels of Productivity Measurement: Macro Level and Micro Level; Types of Productivity Measurement: Total Productivity; Total Factor Productivity; Partial Productivity (Labor, Capital and Materials); Productivity Measurement Approaches (Physical Measurement, Value Measurement and Value-Added Measurement), management by objectives and productivity measurement, system approach and productivity measurement, performance objectives- productivity (PO-P), identification of key performance areas (KPA's), setting of performance objectives, ranking and weighting and sub-systems, KPA's and PO's performance indices- calculation and evaluation.

**Unit 4: Productivity Improvement Tools and Technique****LH 15**

Productivity Improvement Factors; Productivity Improvement Approaches: Innovation and System Oriented (ISO) Approach, Practice and Human Oriented (PHO) Approach. Productivity Improvement Tools and Techniques; Human-ware Oriented; Software Oriented; Hardware Oriented

**Unit 5: Productivity Movement and International and Regional Cooperation****LH 14**

Productivity Movements in Different Regions: European Countries, Asia-Pacific and others; International and Regional Productivity Organization; International Labor Organization (ILO); Asian Productivity Organization (APO) and member NPO's

**Unit 6: Productivity in Nepal****LH 13**

Productivity Movements in Nepal; Productivity Policy in Nepal; Productivity Organizations of Nepal; Productivity in Nepalese Organizations: Issues, Problems and Prospects.

**Project Work****LH 10**

After the completion of fourth year concentration classes the students shall have to prepare and submit a project work in the area they have specialized. The subject teachers have to discuss with students on possible topics of the project work, availability and sources of literature, availability of data, data collection methods, appropriate tools of data analysis, etc relevant to the subject within 10 lecture hours.

**Basic Books**

Prokopenko, J., **Productivity Management**, New Delhi: Oxford & IBH Publishing Co. Pvt. Ltd.

**Reference Books**

Vrat, P., Sardana, G.D., & Sahay, B.S., **Productivity Measurement for Business Excellence**, Alpha Science International Ltd, London: Oxford UK.

Sawhney, S.C., **Productivity Management: concepts and Techniques**, New Delhi: Tata McGraw-Hill, India

Kongkiti, P. **Productivity Management in an Organization: Measurement and Analysis**, To Know Press.

Economic development and National Productivity Center, **Productivity in Nepal**.

Pant, D., Bajracharya P., Pradhan M., (edit): **Current Issues on Productivity**, Kathmandu: National Productivity & Economic Development Centre.

National Productivity & Economic Development Centre, **Productivity Measurement (Macro Level)**, Kathmandu: National Productivity & Economic Development (NPEDC).

Asian Productivity Organization (APO), **Changing Productivity Movement in Asia and the Pacific-Challenges and Lessons**, Tokyo: Asian Productivity Organization.

Asian Productivity Organization, **Enhancing Productivity, Competitiveness and Quality of Jobs – The Asian Experience**, Tokyo: Asian Productivity Organization.



# MGT 254: Quality Management

*Lecture Hours: 150*

*Full marks: 100*

*Pass Marks: 35*

## Course Objective

This course aims to acquaint students to the concept and practice of management and focuses on the quality of managing, operating, and integrating customer service, marketing, production and delivery, throughout an organization's value chain.

## Course Description

This course contains introduction, managing for quality products and services, Quality Planning, Control and TQM, Quality Improvement and Results.

## Course Details

### Unit 1: Introduction

**LH 20**

Concept of quality, dimensions of quality, Importance of quality in business and commerce, service quality vs. product quality, determinants of service quality, process and quality, strategic quality management, quality and strategic planning, Strategic Quality management, cost of quality, total quality management, Quality Function Deployment (QFD)—concept and applications.

### Unit 2: Managing for Quality Products and Services

**LH 35**

Concept, strategies and quality, quality assurance, process capability, measures of variation and process capability, process variation; quality infrastructure, total organizational involvement, supply chain management-logistic management, inventory management, materials requirement planning, manufacturing resource planning, just-in time; quality management systems- ISO9000:2000 Quality Management System, ISO 14000:1996 Environmental Management System.

### Unit 3: Quality Planning, Control and TQM

**LH 45**

Concept, quality planning and control process, different quality tools- check sheets, stratification, Pereto chart, cause and effect diagram, control chart, histograms; the quality planning process; concept of TQM, emergence of TQM, implementing TQM, TQM models, benefits of TQM, quality Gurus- Juran, Crosby's 14-Point program, TQM practices-value analysis and value engineering, brainstorming, Delphi and Nominal group technique, quality function deployment, ergonomics, single minute exchange of dies and total productive maintenance, benchmarking- process, code of conduct, types, benchmarking customer service, internal benchmarking, advantages and limitations, steps, integrated approach to benchmarking; business process reengineering- BPR methodology, difference between TQM and BPR, approaches to integrate TQM and BPR, Advantages and limitations of BPR, result of TQM, quality performance excellence awards- Deming application prize, European Quality Award and Malcolm Baldrige National Quality Award; Six Sigma- design for Six Sigma, Six Sigma DMAIC process, key analytical tools for implementing Six Sigma, advantages of Six Sigma, Zero defect concept, quality control mechanism in Nepalese industries.

### Unit 5: Service Quality Management and Cost of Quality

**LH 20**

Concept, product and services, measuring service quality using SERVQUAL, limitations of SERVQUAL, the sequential incident technique, quality rating in the service industry, methods analysis,

stopwatch, time study, work sampling, cost of quality—prevention costs, appraisal costs, internal failure costs, external failure costs, cost of quality models, Nepal Standard of Quality Control (NSQC).

#### **Unit 4: Quality Improvement and Results**

**LH 20**

Concepts, benefits of quality improvement, inhibitors of quality improvement projects, quality improvement projects, the remedial journey, dealing with resistance to change, customer satisfaction, empowered employees, maximization of return on investment, challenges of quality management in service and manufacturing sector of Nepal.

#### **Text and Reference Books**

Janakiraman, B. & Gopal, R.K., *Total Quality Management*, New Delhi: Prentice-Hall of India

Bedi, K., *Quality Management*, New Delhi: Oxford University Press.

Oakland, J.S., *Total Quality Management: Text and Cases*, Butterworth Heinemann

Bagad, V.S., *Total Quality Management*, Technical Publication Pune Mukherjee,

P.N., *Total Quality Management*, Prentice-Hall of India Summers, D.C., *Quality Management*, Pearson

Dale, B.G., & McQuater, Managing Business Improvement and Quality, Black-Well.

Dale, B.G., Wide, T.V., Iwaardeen, J.V., *Managing Quality*, Wiley-Blackwell

Burrill, c & Ledolter, J., *Achieving Quality through Continual Improvement*, Wiley-blackwell