

**BACHELOR OF BUSINESS ADMINISTRATION IN FINANCE
(BBA-FINANCE)**

CURRICULUM STRUCTURE

**OFFICE OF THE DEAN
FACULTY OF MANAGEMENT
TRUBHUVAN UNIVERSITY**

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1. Background and Motivation

The Faculty of Management (FoM), Tribhuvan University has its ultimate objective of educating students for professional pursuits in business, industry and government sectors. In the process of realizing this goal, FoM has developed and administered number of programs to cater the demand for professionals in the job market. Along with core business administration programs such as MBA and BBA, FoM has successfully implemented industry-focused courses such as MBA-IT, MBA Global Business, MFC, MHM and MBM at master's level and BIM, BTTM, BHM and BBM at bachelor level. Introduction of new programs reflecting the demand of the job market has been the strength of FoM which has put it in the forefront of the TU system. As a continuation to this tradition, this document proposes a new program with the degree: Bachelor in Business Administration in Finance, BBA-Finance.

There are primarily two motivations behind the new program. First, finance industry is the rapidly growing industry in Nepal and it is expected to keep up the pace in the foreseeable future. The banking industry, though has shrunk in number in the last few years, has rapidly been expanding in terms of volume of business, branch expansion and employment. The growth is expected to continue in the future too. The insurance sector is also expanding; the licenses issued recently to 9 life and 3 non-life insurance companies totaling 39 insurance companies' evidences it. The stock market has been increasing in depth and breadth. The volume of securities traded in the secondary market has increased enormously in the past few years. The primary market is growing every year and new investment companies and mutual funds are entering into the market. The microfinance and finance cooperatives that number more than 10,000 within the country are in need of skilled manpower. Finally, the recently created federal structure of the country that has established 753 local government bodies will require skilled finance professionals. All these indicators evidence ample scope of employment opportunity in the finance sector.

Secondly, a review of student preference towards finance subject also offers strong motivation for the program. In the last 10 years, 83.75 percent BBA students of Shanker Dev Campus chose Finance as their specialization course. This trend applies in other campuses as well. Looking at the potentials of the program, Pokhara University has already launched MBA (Finance) course. Lumbini Banijya Campus, Butwal, has also started MBA (Banking and Finance) course. These evidences (growing employment opportunity in financial sector and strong preference of students to finance subject) demonstrate the need for a new program on Finance as a subject at the bachelor level.

2. Introduction to the Program

BBA-Finance is an industry-focused program. It is built on the foundations of management and allied courses, finance core courses and finance specialization and elective courses. It also offers students enough opportunity to understand real market situation through research, project works and internship. The program is also designed to equip students with multiple skills such as interpersonal, analytical, and decision making skills. Further, it is designed to develop holistic approach of students enabling

them to succeed in professional, personal and social lives. With a BBA-Finance degree, students will be prepared to succeed on career path fulfilling their responsibility towards the business and the society in a rapidly changing domestic and global environment. Students attending this course will earn 120 credits, administered in eight semesters spread over four years, and create solid foundation for academic advancement and professional excellence.

3. Objectives of the Program

The objective of this program is to prepare students to be competent for mid-level careers in finance industry within and outside the country. The program aims at creating a sound academic foundation for advanced studies in the field of management in general and finance in particular. In addition, it also aims at preparing professionals how are responsible and responsive to the demands of the society. Specifically, the program aims to:

- enable students to acquire knowledge on core functional areas of management and allied subjects,
- enable students to acquire relevant skills from allied subjects for managerial application,
- enable students to acquire in-depth knowledge on key sectors of financial activities such as corporate financial management, banking, insurance, and capital market and investment,
- inculcate enquiring attitude and develop research skills for innovation, and adoption to ever-changing business environment through research, seminar and practicum, and
- inculcate positive attitude and ethical values among students to develop them as responsible finance professionals and good citizens.

It is believed that the attainment of these program objectives will contribute to the ultimate objectives of the Faculty of Management – educating students for professional pursuit in business, industry and government.

4. Curricular Structure

The total course is broadly divided into five major areas. *Management and allied courses* (75 credits) intend to provide foundation to business studies and cover major functional areas of management such as general management, accounting, marketing, and allied courses cover courses such as language, business math, social studies, and IT courses. In this group, most of the courses are drawn from BBA. The *Finance core courses* (18 credits) create pathway to Finance specialization. All students will study management and allied courses, and finance core courses. *Concentration courses* are offered to represent four areas of financial service industry (banking, insurance, capital market, and corporate finance) which are growing rapidly within and outside the country. Students will choose any one group and specialize in the chosen group. Students will study any four courses (12 credits) from the group. The *elective group* of courses offer students to expand their knowledge on areas of their choice – courses from other concentration area other than of their choice, business courses and non-business courses. Finally, in order to enable students in research activities and expose in real business environment, two courses (6 credits) have been offered as *project*

work and internship. The overview of curricular structure of the program is as under:

S. N.	Broad area of studies	Credit
1	Management and allied courses	75
2	Finance core courses	18
3	Finance concentration areas (any one) Corporate Financial Management Capital Market and Investment Banking Insurance	12
4	Elective courses Group A (two courses) Group B (one course)	9
5	Project Work and Internship Project Work Internship	6
	Total	120

The detail description of curricular structure follows:

A. Management and Allied Courses (75 Credits)

Management and allied courses consist of 25 courses of three credits each totaling 75 credits. The objective of this group of courses is to lay foundation to business studies. Therefore, it covers major functional areas of management such as general management, accounting, and marketing. Allied courses provide social skills and technical knowledge and cover courses such as language, social studies, business math, and IT courses. Most of the courses in this group are drawn from BBA courses of FoM, TU.

The list of courses in this group is as under:

- ECO 201: Microeconomics
- ECO 202: Macroeconomics
- MTH 203: Applied Mathematics for Business
- STT 201: Business Statistics (2+1)¹
- ENG 204: Business English
- ENG 205: Business Communication
- PSY 201: Basic Psychology
- SOC 203: Business and Society
- MGT 227: Business Ethics and Corporate Governance
- RCH 201: Business Research Methods (2+1)
- MGT 201: Principles of Management
- MGT 202: Human Resource Management
- MGT 203: Organizational Behavior
- \MKT 201: Fundamentals of Marketing
- MGT 205: Operations Management
- ACC 205: Financial Accounting

¹ Includes one credit practicum

ACC 202: Cost and Management Accounting
ACC 204: Taxation and Auditing
FIN 207: Marketing of Financial Services
MGT 222: Business and Financial Law
MGT 225: Business Strategy
IT 205: Fundamentals of Information Technology
IT 202: Introductory Database
IT 203: Management Information System
MGT 224: Entrepreneurship and Small Business Management

B. Finance Core Courses (18 Credits)

The finance core courses consist of six courses (18 credits). The objective of the finance core courses is to cover major aspects of finance so that BBA-Finance graduates have solid foundation and sufficient knowledge to work as finance professional in major types of financial service industries. Further, it creates foundation to specialize in one of the finance concentration area. The proposed courses in this group are asunder:

1. FIN 203: Financial Management
2. FIN 204: Corporate Finance
3. FIN 205: Financial Markets and Institutions
4. FIN 206: Fundamentals of Investment
5. FIN 208: Municipal Finance
6. FIN 209: Fundamentals of Financial Derivatives

C. Finance Concentration Area (12 Credits)

The objective of concentration courses is to prepare students to be competent to serve at particular area of financial service industry. Four areas of financial service industry have been chosen based on their rapid expansion and growth creating employment opportunities for our students. The following area of studies have been offered for specialization in finance. Students must study all four courses in their chose area of concentration.

I. Concentration Area: Corporate Financial Management

Concentration I

FIN 210: Financial Management of SMEs and Social Enterprises

Concentration II

FIN 213: Corporate Financing Decision

Concentration III

FIN 216: International Finance

Concentration IV

RCH 202: Research and Seminar in Corporate Financial Management (2+1)

II. Concentration Area: Banking

Concentration I

BNK 208: Fundamentals of Banking

Concentration II

BNK 209: Bank Operation Management

Concentration III

BNK 210: Treasury Management

Concentration IV

RCH 203: Research and Seminar in Banking (2+1)

III. Concentration Area: Insurance

Concentration I

INS 201: Fundamentals of Insurance

Concentration II

INS 202: Principles and Practices of Life Insurance

Concentration III

INS 203: Principles and Practices of General Insurance

Concentration IV

RCH 204: Research and Seminar in Insurance (2+1)

IV. Concentration Area: Capital Market and Investment

Concentration I

FIN 212: Investment Analysis and Portfolio Management

Concentration II

FIN 214: Securities Trading and Market Mechanism

Concentration III

FIN 217: Market Efficiency and Behavioral Finance

Concentration IV

RCH 205: Research and Seminar in Capital Market and Investment (2+1)

(The exact title and content of the course will be finalized after consulting respective industry experts while detailing the courses)

D. Elective

(9 Credits)

The elective courses offer students to expand their knowledge on areas of their choice – business as well as non-business. The elective courses have been drawn from two broad areas of study. Students will choose two courses from Group A and one course from Group B.

Group A: courses are from concentration area described in Section C above. Students will choose two concentration courses from other areas than their first choice i.e. their choice should not be from their own concentration area. For example, a student who specializes on Corporate Financial Management area will choose two other courses from other concentration areas such as Insurance, Banking or Capital Market and Investments. This provision will help the students to broaden their knowledge of finance in another area of concentration.

Group B: courses are drawn from diverse area of interest. Students will choose one course from this group. Courses in this group will help students to better understand the business world or the world beyond the business. The courses in each group are listed below.

Group A	Group B
<ul style="list-style-type: none"> Two courses from the concentration courses (described in Section 4. C) other than the student's chosen area of concentration 	ELE 229: Statistical Methods and Data Modeling ELE 230: Principles of Social Work ELE 231: Critical Thinking and Logic ELE 232: Mathematics for Finance ELE 233: Financial Econometrics ELE 234: Project Management ELE 235: Event Management ELE 236: Management of Saving and Credit Cooperative ELE 237: History and Culture of Nepal ELE 238: Anthropology ELE 239: Financial Economics ELE 240: Personal Finance ELE 241: Behavioral Finance

Colleges may offer other elective courses than those listed above as per the changing demand of the market. The college will develop the courses and take necessary approval from FoM before administering such courses.

E. Project Work and Internship (6 Credits)

In order to engage students in research activities and expose in real business environment, two courses (6 credits) have been offered as project work and internship. The modality of the internship and project work will be similar to that of the BBA program.

PRJ 351: Project Work (3 Credits)

MGT 350: Internship (3 Credits)

5. Admission, Examination and Evaluation

This program will follow the same process and format for matters relating to the admission, examination and evaluation of the students.

6. Course Cycle

The courses will be administered in the following sequence.

First Semester

S.No.	Course Code	Course Name	Credits
1	MGT 201	Principles of Management	3
2	ECO 201	Microeconomics	3
3	MTH 203	Applied Mathematics for Business	3
4	ENG 204	Business English	3
5	IT 205	Fundamentals of Information Technology	3
Total			15 Credits

Second Semester

S.No.	Course Code	Course Name	Credits
1	MGT 203	Organizational Behavior	3
2	ACC 205	Financial Accounting	3
3	ECO 202	Macro Economics	3
4	STT 201	Business Statistics	3
5	ENG 205	Business Communication	3
Total			15 Credits

Third Semester

S. No.	Course Code	Course Name	Credits
1	FIN 203	Financial Management	3
2	ACC 202	Cost and Management Accounting	3
3	MGT 202	Human Resource Management	3
4	PSY 201	Basic Psychology	3
5	IT 202	Introductory Database	3
Total			15 Credits

Fourth Semester

S. No.	Course Code	Course Name	Credits
1	FIN 204	Corporate Finance	3
2	FIN205	Financial Markets and Institutions	3
3	MKT 201	Fundamentals of Marketing	3
4	MGT 205	Operations Management	3
5	IT 203	Management Information System	3
Total			15 Credits

Fifth Semester

S. No.	Course Code	Course Name	Credits
1	RCH 201	Business Research Methods	3
2	FIN 206	Fundamentals of Investment	3
3	MGT 222	Business and Financial Law	3
4	SOC 203	Business and Society	3
5	MGT 224	Entrepreneurship and Small Business Management	3
Total			15 Credits

Sixth Semester

S. No.	Course Code	Course Name	Credits
1	FIN 207	Marketing of Financial Services	3
2	ACC 204	Taxation and Auditing	3
3	FIN 208	Municipal Finance	3
4	FIN 209	Fundamentals of Financial Derivatives	3
5	PRJ 351	Project Work	3
Total			15 Credits

Seventh Semester

S. No.	Course Code	Course Name	Credits
1	MGT 225	Business Strategy	3
2	Concentration I	3
3	Concentration II	3
4	Elective I	3
5	MGT 350	Internship	3
Total			15 Credits

Eighth Semester

S. No.	Course Code	Course Name	Credits
1	Concentration III	3
2	Concentration IV (Research and Seminar)	3
3	Elective II	3
4	Elective III	3
5	MGT 227	Business Ethics and Corporate Governance	3
Total			15 Credits
Grand Total			120 Credits

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First Semester

S.No.	Course Code	Course Name	Credits
1	MGT 201	Principles of Management	3
2	ECO 201	Microeconomics	3
3	MTH 203	Applied Mathematics for Business	3
4	ENG 204	Business English	3
5	IT 205	Fundamentals of Information Technology	3
Total			15 Credits

MTH 203: Applied Mathematics for Business

Credits: 3

Lecture hours: 48

Course Objectives

The purpose of this course is to help students understand, appreciate and perform mathematical analysis in the field of business and finance. The course introduces students the mathematical techniques through examples and applications in solving business and financial problems.

Course Description

The course introduces mathematical techniques through example to apply them to finance and business problems. This course covers straight lines and linear functions and their applications in market analysis. Similarly, it covers up simultaneous equations and quadratic equations which are applicable to different business settings. Students will also be taught on how to use linear programming, decision making techniques and financial mathematics to solve the finance and business related problems. It also focuses on derivatives and anti-derivatives with an emphasis on their applications in the field of business and finance.

Course Details

Unit 1 Straight lines and Functions

4 LHs

Straight lines, Functions, Applications: demand, supply, cost, revenue, elasticity of demand, supply and income, Budget and cost constraints, Method of least squares.

Unit 2 Simultaneous Equations and Quadratic Equations

8 LHs

Simultaneous linear equations, Equilibrium and break even, Consumer and producer surplus, the IS-LM model, Graphs of quadratic function, Quadratic equations, Applications to business and finance.

Unit 3 Linear Programming Problems and Decision Making

12 LHs

Linear inequalities in two variables only, Linear programming: Graphical method, Simplex Method (two variables only), Decision making techniques under the conditions of certainty, uncertainty and risk.

Unit 4 Financial Mathematics

8 LHs

Concept of simple interest, Compound interest, Annual percentage rates, Depreciation, Net present value and internal rate of return, Annuities, Debt repayments: sinking funds, Relationship between interest rates and the price of bonds, Cost benefit analysis.

Unit 5 Differentiation and Applications

8 LHs

Slope of a curve and differentiation, Rules of differentiation, Differentiation and marginal analysis, Optimization for functions of one variable, Applications of maximum and minimum points, Concept of partial derivatives.

Unit 6 Integration and Applications

8 LHs

Concept of Anti-derivatives, Rules of integration: algebraic, exponential and logarithmic functions, Integration by parts, Evaluating definite integral, Application of integration in business and finance.

References

Frank S. Budnick, *Applied Mathematics for Business, Economics, and the Social Sciences*, McGraw-Hill Ryerson, Limited.

G. S. Monga, *Mathematics for management and economics*, Vikas Publishing House Pvt. Ltd., New Delhi.

Teresa Bradley, *Essential Mathematics for Economics and Business*, John Wiley & Sons Ltd.

Vassilis C. Mavron, Timothy N. Phillips, *Mathematics for Economics and Finance*, Springer-Verlag.

ENG 204: Business English

Credits: 3
Lecture hours: 48

Course Objectives

The main objectives of the course will be to enable students to develop their overall language skills in the fields of business and management; and to provide them with opportunities to express business concepts both verbally and in writing by reformulating them in their own words while summarizing, analysing, criticizing and discussing ideas. The specific objectives are to enable students to:

- develop standard writing skills and evaluate and interpret business text materials;
- acquire a range of intellectual and interpersonal skills;
- explain the materials logically, orally or on paper;
- work independently and as a member of a group; and
- present with language and concepts of business and management found in books, journals, newspapers and magazines and on websites.

Course Description

English for Business Studies is a comprehensive textbook designed to help develop students' overall skills in language works in business environment. The course from *Patterns for College Writing* functions as a mini rhetoric and is designed to cover the major English language skills. Prescribed lessons are based on the course related textbooks and the class teachers may use other supportive course materials to suit the class purposes. The course is highly participatory in essence and thus active class work is desirable. Basics of research writing technique such as quoting and paraphrasing should be taught right from the beginning.

Course Contents

The prescribed course is highly interdisciplinary in nature which helps students work from different perspectives in general and in business environment too. The following lessons are selected for the textbooks.

Module 1

32 LHs

From *English for Business Studies* the following chapters are prescribed.

Management

1 Management 2 Work and motivation 3 Managing across cultures 4 Women in business

Production

5 The different sectors of the economy 6 Production

Marketing

7 Products 8 Marketing 9 Advertising

Finance

10 Banking 11 Venture capital 12 Bonds 13 Stocks and shares 14 Market structure and competition 15 Takeovers

Economics 16 Corporate social responsibility 17 Economics and ecology

Module 2

16 LHs

From *Patterns for College Writing*, the following chapters are prescribed.

Introduction: How to use this book

Henry L. Gates Jr., "What's in a Name?"

Responding to an Essay

The Writing Process: Reading to Write 2. Invention 3. Arrangement 4. Drafting and Revising 5. Editing and proofreading

Maria Hinojosa, *A Supreme Sotomayor: How My Country Has Caught Up to Me*

Narration: What is Narration? Structuring a Narrative Essay

- Sandra Cisneros: *Only Daughter*

Description: What is Description? Structuring a Descriptive Essay

- E. B. White: *Once More to the Lake*

Cause and Effect: What is Cause and Effect? Structuring a Cause and Effect Essay

- Lawrence Otis Graham: *The "Black Table" is Still There*

Argumentation: What is Argumentation? Structuring an Argumentative Essay

- Thomas Jefferson: *The Declaration of Independence*

Using and Documenting Sources

- Paraphrasing, Summarizing, and Using Quotations, Avoiding Plagiarism
- Using APA Style to Cite and Document Sources

Prescribed Text Book:

1. Ian Mackenzie, *English for Business Studies*, 3rd ed. (2014 or later). Cambridge U. Press
2. G. Laurie Kirszner & Stephen R. Mandell. *Patterns for College Writing A Rhetorical Reader and Guide*, 12th ed. New York: St. Martin's Press.

References:

1. R. Mary Colonna, & J. E. Gilbert: *Reason to Write* (Advanced), Oxford U. Press
2. *Oxford /Cambridge Dictionary* latest edition

Methods of Teaching

Teaching approaches will include lectures, demonstration, pair work, small group work and individual research and presentations. The teaching method will be mostly student-centered and activity-oriented. The teacher's book will support the faculties practically in conducting classes. (Class Lecture: 45 hrs. and Assessment: 3 hrs.)

Evaluation Procedure:

a. Internal Evaluation: 40 Marks

Class activities: Participation/Oral presentation/Quizzes:	10 Marks
Written assignments:	15 Marks
Term test:	15 Marks

b. External Evaluation: 60 Marks (as per Tribhuvan University's guidance and exam rules)

IT 205: Fundamentals of Information Technology

Credits: 3
Lecture hours: 48

Course Objectives

The main objective of this course is to provide fundamental concepts of computers and information technology, and its applications in real world business. Students are expected to learn how to use the MS word, MS excel, MS PowerPoint, Outlook and internet.

Course Description

This course covers the basic concepts of computers and information technology including introduction to computer, hardware, software, memory, input/output, data representation, database, networks and data communication, Internet, multimedia, computer security, financial information system and office package. This course requires lab works for which a guideline is presented at the end of this document. The course instructor is advised to focus lab works and evaluate the lab components during in-semester evaluation.

Course Details

Unit 1: Introduction to Computer

3 LHs

Introduction; Digital and Analog Computers; Characteristics of Computer; History of Computer; Generations of Computer; Classification of Computer; The Computer System; Application of Computers in real business.

Unit 2: Computer Hardware

9 LHs

Introduction; Central Processing Unit; Memory Unit; Microprocessor; Interconnecting the Units of a Computer; Memory Representation; Memory Hierarchy; CPU Registers; Cache Memory; Primary Memory; Secondary Memory including Magnetic Tape, Magnetic Disk, Optical Disk, Magneto-Optical Disk; Access Types of Storage Devices; How the Computer uses its memory; Input-Output Unit; Input Devices; Human Data Entry Devices; Source Data Entry Devices; Output Devices; I/O Port; Working of I/O System

Unit 3: Computer Software

4 LHs

Introduction; Types of Software; System Software; Application Software; Software Acquisition; Operating System (Introduction, Objectives of Operating System, Types of OS, Functions of OS including Process Management, Memory Management, File Management, Device Management, Protection and Security, User Interface) Examples of Operating Systems

Unit 4: Data Representation

4 LHs

Introduction; Number System: Binary, decimals, octal, hexadecimal; Conversion from Decimal to Binary, Binary to decimal, Hexadecimal to Decimal, Binary to Octal, Octal to binary, Hexadecimal to Binary; Binary Arithmetic.

Unit 5: Data Communication and Computer Network

4 LHs

Introduction; Importance of Networking; Data Transmission Media; Data Transmission across Media; Data Transmission and Data Networking; Computer Network; Network Types; Network Topology; Communication Protocol; Network Devices; Wireless Networking

Unit 6: The Internet and Internet Services

5 LHs

Introduction; Internetworking Protocol; The Internet Architecture; Managing the Internet; Connecting to Internet; Internet Connections; Internet Address; Internet Services; Uses of

Internet; Introduction to Internet of Things (IoT), Wearable Computing, and Cloud Computing, Introduction to E-commerce, E-governance, and Smart City, and GIS.

Unit 7: Fundamentals of Database

4 LHs

Introduction; Database; Database System; Database Management System; Database System Architectures; Database Applications.

Unit 8: Multimedia and Computer Security

5 LHs

Introduction; Multimedia - Definition; Characteristics of Multimedia; Elements of Multimedia; Multimedia Applications in business; Introduction to computer security; Security Threat and Security Attack; Malicious Software; Security Services; Security Mechanisms (Cryptography, Digital Signature, Firewall, Users Identification and Authentication, Intrusion Detection Systems); Security Awareness; Security Policy; importance of security in business.

Unit 9: Financial Information System (FIS)

5 LHs

Introduction, Feature of FIS, Personal Financial System, Organizational Financial Management, FIS and Organizational Decision Making Process, FIS and Organizational Decision Making Process, Application of FIS, Use of Financial Calculator, Financial Calculator: Ratio Analysis, Future value, Annuity, NPV and IRR, Retirement Planning, Amortized loan, Measuring Riskiness of Firm and Risk Comparison.

Unit 10: Office Package

5 LHs

Basic features of MS Word, MS excel, MS PowerPoint and Outlook.

Text Book:

Goel, A. *Computer Fundamentals*, Delhi: Pearson Education India.

Reference Books:

Norton, P. *Introduction to Computers*, 7th Edition, New Delhi: McGraw Hill Education.

Keyes, J. *Financial Services Information Systems (Best Practices)*, 2nd Edition, Auerbach Publications.

Bower, J., Schlosser, R. E. & Zlatkovich, C.T., *Financial Information Systems: Theory and Practice*, Allyn and Bacon publications.

Laboratory Works:

Students should have practical knowledge of different hardware components of computer, operating systems, Word Processors, Spreadsheets, Presentation Graphics, Database Management Systems, and Internet and its services. The laboratory work includes:

1. Demonstration of different hardware components of a computer.
2. Knowledge of different operating systems like Windows, Linux, and DOS; Working with folders; Adding and removing programs.
3. Knowledge of different features of word processors like creating, saving, opening, editing, formatting, and printing documents; Using page setup; Working with bullets and numbers; Working with tables, mail merge, macros, and table of contents; Inserting pictures; Checking spelling, thesaurus and grammar.
4. Knowledge of Spreadsheet features like workbooks and worksheets, functions and formulas, cell referencing, sorting, data validation, conditional formatting; creating charts.
5. Creating presentation slides; Adding animations; Inserting Charts, Graphics, Movies and Sound Clips.
6. Creating tables, query, reports, and forms; Understanding different data types.
7. Understanding Internet and its services like WWW and E-mail; Using search engine; managing web browsers

ECO 201: Microeconomics

Credits: 3
Lecture Hours: 48

Course Objectives

This module aims to develop students' understanding of the microeconomic concepts and theories in order to enhance their skill in analyzing business opportunities, market and risks.

Course Description

Microeconomics: concepts and uses. Theory of demand and supply: demand function, change in quantity demanded and change in demand, supply function: change in quantity supplied and change in supply, elasticity of demand and supply – concepts, degrees and measurements. Utility Analysis: cardinal vs ordinal utility and indifference curve analysis. Theory of production: Production function, laws of production. Cost and revenue curves. Pricing: Price and output determination under perfect competition, monopoly and monopolistic competition, concept of oligopoly. Factor pricing: rent (modern theory of rent) wages (marginal productivity theory), interest (loanable fund theory and liquidity preference theory) and profit (dynamic theory and innovation theory).

Course Details

Unit 1: Introduction to Microeconomics LHs 3

Meaning, Scope, Types, Uses

Unit 2: Theory of Demand and Supply LHs 6

Demand function

- Meaning and types
- Movement along a demand curve and shifts in demand curve

Supply Function

- Meaning and types
- Movement along a supply curve and shifts in supply curve

Concept of Elasticity of demand and supply

- Price elasticity of demand: degrees, measurement (percentage, total outlay, point and arc methods), uses in business decision making.
- Income elasticity of demand: degrees, measurement (percentage, arc and point methods)
- Cross elasticity of demand: types, measurement (percentage and arc methods)
- Price elasticity of supply: degrees, measurement (percentage, point and arc methods)

Measurement of elasticity

Unit 3: Theory of Consumer's Behaviour LHs 8

Cardinal vs ordinal utility

Indifference curve analysis

- Meaning, assumptions and properties
- Principle of MRS
- Consumer's equilibrium
- Price effect – derivation of PCC and demand curves for normal goods (substitutes and complements)

- Income effect – derivation of ICC and Engel curves for normal goods and inferior goods
- Substitution effect – Hicksian approach
- Decomposition of price effect into income and substitution effects – Hicksian approach
- Applications – tax and subsidy, income leisure choice of workers

Computations and Numerical assignments

Unit 4: Theory of Production

LHs 7

Concept of total, average and marginal product

Production function – meaning, types (short run and long run production function, Cobb-Douglas production function).

Law of variable proportions (explanation of three stages of production with reasons)

Isoquants

- Meaning, assumptions and properties
- Principle of marginal rate of technical substitution
- Optimal employment of two inputs (or least cost combination of two inputs)

Laws of returns to scale

- Explanation with table and diagram (using IQ)

Computations and Numerical assignments

Unit 5: Cost and Revenue Curves

LHs 8

Cost function

Various concepts of costs: opportunity cost, explicit and implicit costs, accounting and economic costs

Short run costs

- Behavior of short run total costs
- Behavior of average and marginal cost curves
- Relation between AC and MC, TVC and MC and AC and AFC and AVC

Long run costs

- Meaning
- Derivation of U-shaped and L-shaped LAC with reasons

Revenue

- Revenue under perfect competition
- Revenue under imperfect competition
- Relationship of Revenues (TR, AR and MR) with price elasticity of demand

Computations and Numerical assignments

Unit 6: Theory of Product Pricing

LHs 10

Profit maximization and equilibrium of a firm

- TR-TC approach (table and diagram)
- MR-MC approach (table and diagram)

Equilibrium price and output determination under perfect competition

- Meaning and characteristics
- Derivation of short run supply curve of a firm
- Short run equilibrium (firm and industry)
- Long run equilibrium (firm and industry)

Equilibrium price and output determination under monopoly

- Meaning and characteristics
- Short run equilibrium

- Long run equilibrium
- Meaning and conditions of price discrimination
- Degrees of price discrimination
- Equilibrium of firm under third degree discrimination

Equilibrium price and output determination under monopolistic competition

- Meaning and characteristics
- Short run equilibrium
- Long run equilibrium of a firm

Oligopoly

- Meaning and characteristics

Computations and Numerical assignments

Unit 7: Theory of Factor Pricing

LHs 6

Rent

- Concept of economic rent and its determination: modern theory of rent.

Wages

- Marginal productivity theory of wages

Interest

- Loanable funds theory of interest
- Liquidity preference theory of interest

Profits

- Dynamic theory of profits
- Innovation theory of profits

Computations and Numerical assignments

References

- Ahuja, H.C. *Advanced Economic Theory – Micro Economic Analysis*, New Delhi – S. Chand (Latest ed.)
- Browning and Browning (1994), *Microeconomic Theory and Applications*, New Delhi, Kalyani Publishers
- Case, Karl E. and Ray C. Fair, (2002), *Principles of Economics*, Singapore, Pearson Education
- Dwivedi DN (2003), *Microeconomics Theory and Applications*, Delhi, Pearson Education Pvt. Ltd.
- Dwivedi DN (2010), *Microeconomics Theory and Practice*, New Delhi, Tata McGraw Hill.
- Koutsoyianis, A (1979), *Modern Microeconomics*, London, Macmillan
- McConnell CR and S. Brue, (2002), *Economics : Principles, Problems and Policies*, New York, McGraw Hill.

MGT 201: Principles of Management

Credits:3
Lecture Hours: 48

Course Objectives

This module aims to impart the basic management knowledge, and skills to the students so as to enhance their managerial capabilities and enable them to apply in the practical field.

Course Description

Concepts and functions of management. Management perspective. Planning: meaning, classification, steps and tools. Planning premises. Decision making: meaning, types, conditions and process. Organizing: meaning, process, principles, and architecture. Authority and responsibility. Centralization, delegation and decentralization. Staffing. Emerging issues in organizing. Leading: meaning, qualities and styles. Individual differences and psychological contract. Introduction to groups. Concept of managerial ethics. Motivation: concept and techniques. Communication: meaning, process, types and barriers. Controlling: meaning, process and techniques. Quality. Total Quality Management. Issues in quality management. Organizational change and development.

Course Details

Unit 1: Introduction

LHs 4

Management: concepts, meaning and functions. Types of managers. Managerial roles and skills. Becoming a manager: role of education, experience and situation.

Unit 2: Perspectives in Management

LHs 8

Early development. Classical Perspective: scientific management, administrative management and bureaucracy. Behavioral Perspective: Hawthorne studies, human relations movement, and emergence of organizational behavior. Quantitative Perspective: management science and operations management. Integrating perspectives: systems and contingency perspectives. Emerging management issues and challenges.

Unit 3: Planning

LHs 7

Meaning. Levels of Planning: Strategic, Tactical and operational. Steps in Planning. Tools for planning. Planning premises. Pitfalls of planning. Improving planning. Decision Making: meaning, types and process. Decision making conditions – certainty, risk and uncertainty. Practical exercises on taking decisions including decision making using indicators.

Unit 4: Organizing

LHs 10

Meaning, process and principles of organizing. Organization Architecture: vertical differentiation – tall versus flat hierarchies, horizontal differentiation – functional structure, multidivisional structure, geographic structure, and matrix structure. Responsibility: establishing task and reporting relationships, creating accountability. Authority: line authority and staff authority. Delegation of authority. Centralization, Decentralization and Devolution: meaning, reasons, advantages and disadvantages. Emerging issues in organization design. Staffing: concept and importance.

Unit 5: Leading**LHs 8**

Meaning and qualities of leadership. Understanding Individual differences and psychological contract. Concept and types of groups. Leadership Styles: autocratic, democratic, and participative. Concept of managerial ethics. Motivation: concept, importance, and techniques. Communication: meaning, process, and networks. Concept of active listening. Types of communication, Barriers to effective communication.

Unit 6: Controlling**LHs 6**

Meaning, purpose, Process and types of controls. Essentials of effective control systems. Control tools and techniques. Quality: Concept and importance. Total Quality Management: concept, components, principles, tools and techniques. Emerging issues in quality management.

Unit 7: Organizational Change and Development**LHs 5**

Nature, forces, paradigm shifts and areas (structure, technology, business process and behaviors) of organizational change. Resistance to change. Overcoming resistance to change. Concept of Organizational Development

Addendum: At least one case will be administered at the end of each chapter. The students will also complete a project work and a few other assignments as specified by the faculty member.

References

- Charles W.L. Hill and Steven L. McShane, *Principles of Management*, Tata Mc-Graw-Hill Company, New Delhi.
- Griffin, Ricky W., *Management*. AITBS Publishers and Distributors, New Delhi.
- Hitt, M.A., J.S. Black and Porter, L.W., *Management*, Pearson Education, New Delhi
- Pant, Prem Raj, *Principles of Management*, Buddha Academic Publishers and Distributors Pvt. Ltd.
- Paudyal, Santosh Raj, Pradhan, Gopal Man and Bhandari, Kedar P. (2064), *Principles of Management*, Asmita Publication, Kathmandu.

Second Semester Syllabus

S.No.	Course Code	Course Name	Credits	Remarks
1	MGT 202	Organizational Behavior	3	Same as BBA
2		Financial Accounting	3	
3	ECO 202	Macro Economics	3	Same as BBA
4	STT 201	Business Statistics	3	Same as BBA
5		Business Communication	3	
Total			15 Credits	

ENG 205: Business Communication

Credits: 3
Lecture hours: 48

Course Objectives

The main objective of the course is to enable students to understand and demonstrate the use of basic and advanced business communication theory and writing techniques, including anticipating audience reaction, and use career skills that are needed to succeed, such as using ethical tools, working collaboratively, observing business etiquette, and develop soft skills properly. By the end of this course, students will be specifically able to:

- write effective and concise business letters, emails and memos, notices,
- plan successfully for and participate in meetings and prepare for job interviews,
- develop interpersonal skills that contribute to effective and satisfying personal, social and professional relationships,
- evaluate and interpret business text materials,
- explain the materials logically, orally or on paper; and
- work independently and as a member of a group.

Course Description

The *Business Communication* course is a contemporary communication course for undergraduate level BBA and management studies students to help develop their specific communication skills in business and economic contexts. This course is designed to give students a comprehensive view of communication, its scope and importance in business, and the role of communication in establishing a favorable outside the firm environment, as well as an effective internal communications program. The various types of business communication media are covered.

Course Details

48 LHs

Part I Business Communication: Understanding the Foundation

1. The role of communication in the business organization:
Frequency of communication, Internal-operational and external-operational communication, Personal communication, Organizational communication network
2. A model of the communication process:
Communication environment, Communication process, Universal ingredients of human communication, Some fundamental truths of communication
3. Perception and reality: Reality defined, Changing reality and business communication, Truth and reality
4. The filter of the mind: The role of opinions, attitudes, and beliefs
5. Barriers and malfunctions of communication

Part II Fundamentals of Business Writing

Principles of clear business writing:

1. Basic principle of adaptation, short sentences, paragraph design
2. Writing for effect:

Objectives of the business letters, Coherence in the letter, Structure of the letter

Part III Basic Patterns of Business Messages

Routine business writing:

1. Direct and indirect business letters: Good and bad news, Inquiries, collection and requests, Persuasive and sales,
2. Memorandums, notes, e-mails, Notices

Part IV Business Report Writing

1. Reports: Problems, organizations, and interpretation
2. Techniques of writing: reports and proposals
3. Reports: Visual communication aspects

Part V Other Forms of Communication

1. Public speaking and oral reporting
2. Cross-cultural communication
3. Conducting and participating in meetings
4. Nonverbal communication
5. Technology of business communication
6. Preparing job application, résumés and cover letters
7. Preparing advertisement materials: print and electronic media

Text book

Raymond V.Lesikar,Marie E.Flately, KathrynRentz, Lentz Paula&NeerjaPande: *Business Communication: Making Connections in a Digital World*, 13th or latest edition, New Delhi: Tata-McGraw Hill.

References:

Courtland L.Bovee, John V.Thill, &... Raina,*Business Communication Today*, 14th edition. Pearson.

P. Upadhyaya,&D. Adhikari,*Technical Communication-II, Tools and Applications*,Kathmadu: Buddha Academic Publishers.

Cambridge/Oxford Advanced Learners Dictionary, Latest ed.

ACC 205: Financial Accounting

Credits: 3
Lecture hours: 48

Course Objective

This course aims to familiarize students with the function and process of financial reporting system from a user and system designer perspective.

Course Description:

The course consists of ten units. The detailed contents of each unit along with contact hours are given below. The major topics covered in this course are: introduction to financial accounting, recording a business transactions, sub-divisional of journal, accounting for cash and banking transactions, preparation of trial balance and adjusted trial balance, accounting for depreciation and preparation of asset account, reserve and provision, capital and revenue concept, preparation of financial statements, and preparing a project covering the stage from data entry to the extraction of financial statements from the accounting software package.

Course Details:

Unit 1: Introduction

6 LHs

Concept, objectives, functions and limitations of accounting; Users of accounting information; Qualitative characteristics of accounting; Accounting as a language of business; Basic accounting principles; Accounting cycle; Double entry book keeping system; Accounting equation.

Unit 2: Recording of Business Transactions

4 LHs

- Journal: Meaning and objectives; Journalizing based on types of account
- Ledger: Meaning, objectives, account formats (T-format and balancing format), posting of simple and compound entries into ledger, balancing and closing of ledger accounts

Unit 3: Sub-division of Journal

4 LHs

- Concept of sub-division of Journal, trade discount and cash and accounting treatment
- Purchase Book: Concept, preparation and posting from purchase
- Purchase Return Book: Concept, debit note, preparation and posting from purchase
- Sales Book: Preparation and posting from sales book
- Sales Return Book: Concept, credit note, preparation and posting from sales return book
- Bills Payable Book: Concept, preparation and posting from bills payable book
- Bills Receivable Book: Concept, preparation and posting from bills receivable book

Unit 4: Accounting for Cash and Banking Transactions

7 LHs

- Cash and Banking Transactions: Objectives, importance; Bank account: Current, saving and fixed deposit account
- Cheques: Meaning, parties to a cheque, types of cheque, rules for drawing a cheque, endorsement and dishonor of cheque
- Pass Book: Concept and importance
- Cash Book: Concept and importance; Types of cash book: Single, double and triple column
- Petty Cash Book: Meaning, importance, types
- Bank Reconciliation Statement: Concept, importance, reasons for disagreement between cash book and passbook balances; Preparation of bank reconciliation statement

Unit 5: Trial Balance

4 LHs

- Meaning and objectives, preparation of trial balance and adjusted trial balance

- Journal Proper: Concept, opening entries, closing entries, transfer entries, adjusting entries
- Errors: Meaning, causes of accounting errors, types of errors, errors disclosed and not disclosed; Rectification of errors before and after preparation of trial balance; Suspense account.

Unit 6: Accounting for Depreciation 5 LHs

- Meaning and causes of depreciation, accounting entries of depreciation
- Methods of depreciation: Straight line method and diminishing balance method.
- Disposal and addition of assets and accounting for gain and losses.
- Effect of depreciation on income statement and balance sheet.

Unit 7: Reserve and Provision 2 LHs

- Concept and objectives of reserve and provision
- Maintaining general reserve, provision for bad debt, provision for discount on debtors

Unit 8: Capital and Revenue concept 2 LHs

- Concept, types and difference between capital and revenue receipt, capital and revenue expenditure.

Unit 9: Financial Statements 7 LHs

- Concept of annual report and its components
- Concept and types of financial statements
- Preparation of income statements and balance sheet with and without adjustment using worksheet
- Cash flow statement: Meaning, importance, preparation of cash flow statement under direct method.

Unit 10: Computerized Accounting 7 LHs

- Introduction to accounting software packages
- Uses and benefits of accounting software packages
- Overview about different types of accounting software
- Data entry in accounting software
- Extraction of accounting information and financial reporting through accounting software packages.
- Preparing a project covering the stage from data entry to the extraction of financial statements from the accounting software package.

Textbook:

G.A. Porter and C. L. Nortorn, *Financial Accounting: The Impact on Decision Makers*. USA: The Dryden Press.

References:

- Paul E. Kimmel, Jerry J. Weygandt, and Kieso Donald E., *Financial Accounting*. New York: John Wiley & Sons.
- R. Narayanaswamy, *Financial Accounting: A Managerial Perspective*. New Delhi: Prentice Hall of India Pvt. Ltd.
- M. R. Koirala, and et. al. *Principles of Accounting-I*. Kathmandu: Buddha Academic Enterprises Pvt. Ltd.
- P. K. Sinha, *Fundamental of computers*. New Delhi: BPB Publication

ECO 202: Macro Economics

Credits: 3

Lecture Hours : 48

Module Objectives

This module aims to develop students' understanding of the macroeconomic concepts to enhance their skills in analyzing business environment for decision-making.

Course Description

Macroeconomics: concepts and importance. National income accounting: concepts, measurement approaches and measurement difficulties of national income. Consumption, saving and investment functions, paradox of thrift, acceleration coefficient. Income determination models: classical and Keynesian theories, IS – LM model, concept of multipliers. Business cycles: phases and economic stabilization policy. Inflation: theories of inflation, computation of rate of inflation, Unemployment, macroeconomic policies: monetary policy, fiscal policy. Macroeconomic issues: Nepalese perspective.

Course Details

Unit 1: Introduction to Macroeconomics

LHs 2

Meaning and scope of macroeconomics, Static and dynamic analysis of Macroeconomics, Macroeconomics and business environment.

Case Studies

Unit 2: National Income Accounting

LHs 7

Circular flow of income and expenditure (two, three and four sector economy), Meaning of national income: Various concepts of NI: GDP, NDP, GNP and NNP (both in – market price and factor cost terms), Nominal GDP, Real GDP and GDP deflator, **Potential and actual GDP**, Personal income, Disposable income and **Saving**, Per capital income. Three approaches of measurement of NI (Product, Income and Expenditure), Measurement Difficulties of NI.

Numerical assignments and Case studies

Unit 3: Consumption, Saving and Investment

LHs 8

- Meaning, technical attributes and determinants of consumption function
- Psychological law of consumption function
- Meaning, Technical attributes and determinants of saving function
- Paradox of thrift
- Meaning and types of investment
- Concept of MEC and investment demand curve
- Determinants of induced investment
- Principle of acceleration coefficient (Tabular explanation)

Numerical assignments and case studies

Unit 4: Theories of National Income Determination LHs 12

Classical Theory of output and Employment

Keynesian Model of Income Determination

- Income determination in a Two sector economy, change in aggregate demand and investment multiplier
- Income determination in a Three sector economy, fiscal multipliers (tax multiplier, government expenditure multiplier and balanced budget multiplier)
- Income determination in a Four sector Economy, foreign trade multiplier IS – LM Model of Income Determination
- Derivation of IS curve and product market equilibrium
- Derivation of LM curve and money market equilibrium

- Determination of equilibrium income
- Shift in IS curve and effect on equilibrium income
- Shift in LM curve and effect on equilibrium income
- Shift in IS and LM curves and simultaneous effect on equilibrium income
- Monetary policy and effect on equilibrium income
- Fiscal Policy and effect on equilibrium income
- Monetary – Fiscal Policies mix and effect on equilibrium income

Numerical assignments and Case studies

Unit 5: Inflation, Unemployment and Business cycles

LHs 7

Inflation: Meaning, types (on the basis of rate and control), Theories of inflation – Demand-pull and cost-push, Effects (production and distribution of income and wealth), Computation of rate of inflation (Using PPI, CPI and GDP inflator only), Meaning of Deflation and stagflation

Unemployment: Meaning and types, costs of unemployment, Inflation and unemployment

Business cycles: Meaning and characteristics, Phases of business cycles, Economic stabilization policy.

Numerical assignments and Case studies

Unit 6: Macroeconomics Policies

LHs 5

Macroeconomic Policy: Meaning and Objectives

Money Supply: Meaning and sources

Monetary policy: Meaning, types, instruments, indicators, targets, goals.

Fiscal Policy: Meaning, methods, instruments, goals

Deficit Financing: Meaning and significance

Budget: Meaning and components

Case studies

Unit 7: Macroeconomics Issues: Nepalese Perspective

LHs 7

Balance of Payments : Meaning and components

Exchange rate: Meaning and types, exchange rate determination (demand supply approach) Economic growth and development, Sources of economic growth, Privatisation, economic liberalisation and globalization, market failure, Foreign direct investment Foreign employment: current status and role.

Case studies

References

Bernake and Abel , *Macroeconomics*, Singapore, Pearson Education latest edition Froyen, R.T. Macroeconomics and Policies (8th edition)

Lipsey, R.S. and C. Harbury, *Elementary Macroeconomics*, New York, Oxford University Press latest edition

Mankiew, NG (1998), *Principles of Macroeconomics*, Orlando, The Dryden Press, Harcourt Brace College Publishers

McConnell and Brue, *Economics : Principles, Problems and Policies*, New York, McGraw Hill. Latest edition

Shrestha, R.G. and Adhikari, G.M. *Macroeconomics*, fifth edition

Todaro, M.P *Economics in the Third World*, Hyderabad, Orient Longman, Ltd. Latest edition

Other suggested readings: Various Publications and Journals of Nepal Rastra Bank, Ministry of Finance, National Planning Commission, Central Bureau of Statistics, World bank, Central Department of Economics (TU) and So on.

STT 201: Business Statistics

Credit Hours: 3
Lecture Hours: 48

Nature of the course:

Theory and Practical with EXCEL (60% + 40%)

The student must succeed in Theory exam and Practical exam separately

Course Objectives:

This course introduces the students to statistical tools and techniques which are applied to in business decision-making. The course will cover the basic tools used to describe data for the purposes of transforming data into information. In addition, the course will present the fundamentals of statistical inference showing how it is possible to examine a small subset of data to reach conclusions about the larger set of data.

The statistical tools should be introduced from an applied perspective using business related examples. Microsoft Excel software will be used throughout the course to aid in statistical analysis.

Course Details

Unit 1: Describing Data using Graphs and Tables

4LHs

Statistics in Business, Data Collection, Frequency distribution, Stem-and-leaf plots, Graphic presentation of Frequency distribution – Diagrams, graphs, O-give curve.

Unit 2: Describing Data Using Numerical Measures

9 LHs

Measures of Central Tendency (Mean, Median and Mode), Partition values (quartiles, deciles and percentiles), Measures of variation (Range, Inter Quartile Range, quartile deviations), Variance and standard deviation, Coefficient of Variation, Skewness, Kurtosis, Five number summary, Box-Whisker plot.

Unit 3: Probability

5 LHs

Sample Space and Events, Probability, laws of probability, conditional probability, Baye's theorem.

Unit 4: Probability Distributions

5LHs

Random variable, Mathematical Expectation, Binomial Distribution, Poisson Distribution, Normal Distribution.

Unit 5: Sampling Theory and Sampling Distributions

4 LHs

Population and Sample, Sampling Methods, Central limit theorem, Sampling Distribution of Mean and Proportion.

Unit 6: Estimation

5LHs

Estimation, Properties of Good Estimator: Consistency, unbiasedness, efficiency and sufficiency, Point and interval estimates, Margin of Error and Levels of Confidence, Confidence interval estimates for mean and proportion.

Unit 7: Introduction to Hypothesis Testing

7LHs

Concept of Hypothesis Testing, Steps of Hypothesis Testing, Hypothesis Testing for Mean and Proportions for large Sample, Hypothesis Testing Using Critical Value approach, Confidence Limit approach, p -value approach.

Unit 8: Simple Linear Correlation

5 LHs

Scatter plot, Measures to describe correlation, Pearson's product moment correlation coefficient, Correlation Coefficient for Bi-Variate Data, test of significance of Sample Correlation Coefficient using Probable Error, Spearman's rank correlation coefficient.

Unit 9: Simple Linear Regression

4 LHs

Linear models, Assumptions of the linear model, Linear regression model, Obtaining the least-squares linear regression model, interpretation of regression Coefficient.

Reference books:

1. David M. Levine and et al, *Statistics for managers using MS excel Pearson*
2. Glyn Davis and Branco Pecar, *Business Statistics using EXCEL*, Oxford University Press

MGT 203: Organizational Behavior

Credits: 3
Lecture Hours: 48

Course Objectives

This course aims to provide students with an in-depth understanding of fundamental theories of organizational behavior.

Course Description

The course comprises 10 units- introduction, understanding individual behavior, perception, learning, personality, motivation and job satisfaction, groups and teams in organizations, leadership, communication, conflict and organizational change and development.

Course Details

Unit 1: Introduction to Organizational Behavior

6LHs

Concept, Organizational behavior system, basic assumptions, levels of OB analysis, Basic assumptions of OB, Contributing disciplines to the field of OB, challenges for managers.

Unit 2: Understanding Individual Behavior

5LHs

Concept, behavior as an input-output system. Mental process-beliefs, attitudes, values, needs, motives and behavior, Sensation, Emotions and Cognitive dissonance.

Unit 3: Perception

3LHs

Concept, perceptual process, factors affecting perception, specific application of perception in organizations, theories in organizations, Attribution theory, Attribution errors.

Unit 4: Learning

3LHs

Concept of learning, Learning theories, Factors influencing learning, Principles of learning, Behavior modification.

Unit 5: Personality

5LHs

Concept, Personality traits and characteristics, Determinants of personality, linking an individual's personality and values to the workplace, Major personality attributes influencing OB, application of personality traits and characteristics at work place.

Unit 5: Motivation and Job Satisfaction

5LHs

Concept, Motivation theories-Maslow Hierarchy needs theory, Hygiene factors and motivators theory, ERG motivation theory, McClelland Achievement theory and Vroom expectancy theory. Application of motivation theories, Motivation for Performance, Concept of job satisfaction, Effects of job satisfaction on employees' performance.

Unit 6: Groups and Teams in Organizations

5LHs

Concept of group and group dynamics, the dynamics of group formation, types of groups, The dynamics of informal groups, concept and nature of teams, Types of teams, Team processes.

Unit 7: Leadership**4LHs**

Concept, Effective leadership, Theories of leadership-trait perspective, behavioral theories, contingency theories,

Unit 8: Communication**4LHs**

Concept, Function and process, System, Types, Communication network, Barriers to effective communication, Overcoming communication barriers, Issues in communication.

Unit 9: Conflict**3LHs**

Concept, nature, types and nature and types of intergroup conflict, Dynamics of intergroup conflict, Sources of conflict, Approaches to conflict management.

Unit 10: Organizational Change and Development**5LHs**

Concept, Forces of change, Resistance to change, Approaches to managing organizational change, Concept of organizational development (OD), OD values, OD interventions.

Text Books

Robbins, S.P., *Organizational Behavior*, New Delhi: Pearson.

Arnold, H.J. and Fieldman, D.C. *Organizational Behavior*. New York: McGraw Hill Book Company.

Adhikari, D.R. *Organizational Behavior*. Kathmandu: Buddha Academic Enterprises Pvt. Ltd.

Asathappa, K. *Organizational Behavior*. (8th Edition), New Delhi: Himalayan Publishing House.

Dwivedi, R.S. *Human Relations and Organizational Behavior: A Global Perspective*. New Delhi: Macmillan India Limited.

Moorhead, G. and Griffin, R.W. (2000). *Organizational Behavior*. New Delhi: AITBS Publishers.

Third Semester Syllabus

S.No.	Course Code	Course Name	Credits	Remarks
1	FIN 203	Financial Management	3	
2	ACC 202	Cost and Management Accounting	3	
3	MGT 203	Human Resource Management	3	
4	PSY 201	Basic Psychology	3	
5	IT 202	Introductory Database	3	
Total			15 Credits	

FIN 203: Financial Management

Credits: 3
Lecture hours: 48

Course Objective

The objective of this course is to impart knowledge and skills of financial management to students to understand how a corporate firm raises and uses funds most effectively. At the completion of this course the students will: have a clear understanding of the goal and function of financial management in a competitive environment, be able to analyze financial statements and develop financial plan, understand valuation fundamentals and acquire skill to value securities, develop analytical ability for making rational choice of projects, and analyze return and risk faced by a firm.

Course Description

The course introduces students to a number of useful concepts in financial management such as the concept of time value of money, risk and valuation. The course also imparts skills to students to value securities and analyze financial statements and capital investment projects. Therefore, it begins with an introduction to financial management and proceeds to the analysis of financial statements and financial planning and growth. It then introduces the concept of time value of money and its significance in financial decision making. The course further deals with the valuation of bond and stocks, basics of capital budgeting, and risk and return. The Nepalese perspective will be addressed at relevant places.

Course Detail

Unit 1: Introduction to Financial Management

5LHs

Meaning of financial management; Financial management decisions; Role of financial manager; Forms of business organization; The goal of financial management; The agency problem: shareholders versus managers, shareholders versus creditors.

Unit 2: Financial Statements and Analysis

6 LHs

Financial statements: Balance sheet, income statement, statement of cash flows; Standardized financial statements — Common-size statements; Ratio analyses; The Du Pont identity; Using financial statement information; Problems with financial statement analysis.

Unit 3: Financial Planning and Growth

5 LHs

Meaning and importance of financial planning; Financial planning models; The percentage of sales approach; External financing and growth.

Unit 4: Time Value of Money

6 LHs

Concept of time value of money; Future values and present values: single cash flow, multiple cash flows, annuities, perpetuities, growing annuities and growing perpetuities; Effect of compounding; Loan types and loan amortization.

Unit 5: Bond Valuation

5 LHs

Bond features, Bond valuation, Interest rate risk, Bond yields: Current yield, capital gain yields, yield-to-maturity and yield to call; Bond markets, inflation and interest rates.

Unit 6: Stock Valuation

5 LHs

Features of common stocks; Valuation of common stock; Expected rate of return; Dividend yield and capital gain yield; The stock markets; Features of preferred stock; Valuation of preferred stock.

Unit 7: The Basics of Capital Budgeting**8 LHs**

Meaning of capital budgeting; Types of investment proposals; Process of capital budgeting decision; Project evaluation criteria: Payback period, discounting payback period, net present value, internal rate of return, modified internal rate of return and profitability index.

Unit 8: Return, Risk and Portfolio**8 LHs**

Return and measurement of return; Risk and measurement of risk; Portfolio return and portfolio risk; Systematic risk and unsystematic risk; Beta coefficient; Security market line.

Basic Textbook:

Stephen A. Ross, Randolph W. Westerfield and Bradford D. Jordan. *Fundamentals of Corporate Finance*. New Delhi: Tata McGraw Hill Education Pvt. Ltd.

Reference Books:

James C. Van Horne and John M. Wachowicz, Jr. *Fundamentals of Financial Management*. New Delhi: Prentice-Hall Limited.

Eugene F. Brigham and Joel F. Houston. *Fundamentals of Financial Management*. Singapore: Thomson, South-Western.

ACC 202: Cost and Management Accounting

Credits: 3

Lecture Hours: 48

Course Objectives

The primary objective of the module is to provide students with an understanding of the concepts, tools and techniques of cost and management accounting and their application in managerial decision making.

Course Description

This course comprises conceptual foundation of cost and management accounting, segregation of cost, accounting for material and labour, allocation apportionment and absorption of overhead cost, income statement under variable and absorption costing technique, standard costing system with material and labour cost variance, flexible budgeting under different levels of activities, overhead cost variance, preparation of functional and financial budget in a manufacturing/non-manufacturing concern, decision regarding alternative choices.

Course Details

Unit 1: Conceptual Foundation

4LHs

- **Cost & management accounting:** Meaning, objectives, importance, advantages and limitations, differences between financial accounting and cost accounting, management accounting and cost accounting.
- **Cost concept and its classification.**
- **Concept and method of cost segregation:** i) Two point method and ii) Least square method & iii) Estimation of cost

Unit 2: Accounting for Materials

3LHs

- **Materials/Inventory:** Concept, reasons and objectives for holding material / inventory.
- **Inventory Control:** Meaning, importance and techniques, Economic order quantity with and without discount, Re-order, maximum, minimum, danger and average stock levels under the condition of certainty.

Unit 3: Accounting for Labour Cost

3LHs

- **Labour cost:** Concept and need for control of labour cost.
- **Incentive wages Plan:** Halsey and Rowan premium Plan, Taylor's differential piece rate system, Gantt's Task and Bonus plan.

Unit 4: Accounting for Overhead Cost:

4LHs

- **Overhead cost:** Meaning, classification, importance
- **Accounting and Distribution of overhead cost:** Allocation, apportionment and absorption of overhead cost.

Unit 5: Accounting for Profit Planning

8LHs

- **Absorption costing:** Concept, importance, income statement under absorption costing technique, limitations.
- **Variable costing:** Concept, importance, income statement under variable costing technique, reconciliation statement between absorption and variable costing techniques showing the causes of difference.
- **Cost Volume profit analysis:** Meaning, importance, Contribution margin analysis, Break-even-analysis: under constant and the following underlying situations: changes on selling price, fixed cost, & variable cost, and under step fixed cost, Break-even-analysis of multi-products firms, assumptions of CVP analysis and its limitations.

Unit 6: Standard costing

4 LHs

- **Standard costing:** Concept, preliminaries to establish standard costing system, difference between standard costing and budgetary control, advantages and limitations.

- **Variance analysis:**

Material variance: Concept and calculation of cost, price, usage, mix and yield variances.

Labour variance: Concept and calculation of cost, efficiency, rate, mix, idle time and yield variances.

Unit 7: Flexible budgeting

4LHs

- **Flexible budgeting:** Limitations of static budget, concept, importance of flexible budget, flexible budgeting for overhead cost control, flexible budget in different level of activity.
- **Overhead cost variance:** Concept and calculation of capacity, efficiency and spending variances.

Unit 8: Budgeting and Profit Planning

12 LHs

- Concept and objectives of budget.
- Preparation of budget for manufacturing and non-manufacturing concern: sales budget, production budget, purchase budget, direct labour and overhead cost budget.
- Cash collection and disbursement budget, budgeted income statement, budgeted balance sheet.

Unit 9: Accounting for Alternative Choices for Decision Making

6 LHs

- Concept of decision making, types of decision making: Make or buy decision, Drop or continue decision, Accept or reject special offer, decision to sell or further processing.

Suggested Books

Ronald W. Hilton, and David E. Platt *Managerial Accounting*, MCgraw Hill, Irwin.

Charles T. Horngren, Srikant M. Datar and George foster, *Cost Accounting , A managerial Emphasis*, Pearson Education

Colin Drury, *Management and Cost Accounting*, ELBS with Chapman and Hall Jerry J. Weygandt, Jawahar Lal, *Cost Accounting*, Tata McGraw Hill Co., New Delhi

T. Lucy, *Cost Accounting*, Tata McGraw Hill Co., New Delhi.

M.R. Koirala, and et.al, *Cost and Management Accounting*, Buddha Academy Publication House, Kathmandu.

Yamesh man Singh, Khagendra P. Ojha, Chiranjibi Acharya, *Cost and Management Accounting*, Buddha Academic Publishers and Distributors Pvt.Ltd.

R.M. Dangol and et.al, *Cost and Management Accounting*, Taleju Publishing House, Kathmandu

Koirala, Y.R. and et.al, *Cost and Management Accounting*, Ashmita Publication, Kathmandu.

MGT 202: Human Resource Management

Credits: 3
Lecture Hours: 48

Module Objectives

This module aims to develop student's understanding of the basic concepts, systems, and approaches of human resource management.

Course Description

Concept, characteristics, objectives, and components of HRM. Emerging HR challenges. Human resource planning: assessing current HR, HRM inventory, HR information system, and succession planning. Job analysis: meaning, purpose, methods, and techniques. Job design: concept and approaches. HR training and development. Career development. HR motivation. Performance appraisal. Rewards management. Employee grievances and disciplines. Labor relations and Labour Act of Nepal.

Course Details

Unit 1: Introduction

5LHs

Concept, characteristics, objectives, and components of HRM. HRM environment (globalization, technological advances, nature of work, workforce diversity, and legal trends). Contemporary HR issues, challenges and responsibilities of HR manager,.

Unit 2: Human Resource Planning

7LHs

Concept, characteristics, and importance. HRP process. Major HRP activities: assessment of current HR (HR inventory – management inventory and skills inventory, HR information system, and succession planning), HR demand and supply forecasting. Techniques of HR demand and supply forecasting.

Unit 3: Job Analysis and Design

6LHs

Job analysis: concept and terminology (task, job, position and occupation). Purpose and methods of collecting job analysis information. Job description and job specification. Job design: concept, approaches and techniques (scientific management, Herzberg's model, job characteristics, socio-technical, and team).

Unit 4: Recruitment and Selection

4LHs

Recruitment: concept and sources. Selection: concept, and importance. Selection Process. Selection tests and interviews: concept and types.

Unit 5: HR Training and Development

5LHs

Concept and needs of HR training and development. Training needs assessment. HR training: objectives and methods (on-the-job and off-the-job). Evaluation of training program. Management development: concept, objectives, and methods (on-the-job and off-the-job). Career planning and development.

Unit 6: Performance Appraisal

5LHs

Concept, uses and methods (simple ranking, alternative ranking, paired comparison, forced distribution, critical incident, behaviorally anchored rating scale). Appraisal interview. MBO approach to appraisal. Problems in performance rating.

Unit 7: Rewards Management

3LHs

Concept and types (intrinsic and extrinsic, financial and non-financial). Qualities of effective rewards, Types of employee benefits.

Unit 8: Employee Grievances and Disciplines**3LHs**

Employee grievances: concept and handling grievances. Employee discipline: concept, causes, and process of managing discipline.

Unit 9: Labor Relations and Labour Regulations in Nepal**10LHs**

Labor relations: concept, objectives, and actors of labor relations. Reasons for joining trade unions. Trade unionism: concept, functions and types. Collective bargaining: concept and process, Labor disputes: causes and settlement provisions. Features and provisions of Labour Act.

Addendum: At least one case will be administered at the end of each chapter. The students will also complete a project work and a few other assignments as specified by the faculty member.

Reference Books

Bishweswor Man Shrestha, *Industrial Relations Management*, Akshalok Prakashan, Kathmandu.

Davi Decenzo and Stephen P. Robbins, *Human Resources Management*, John Wiley and sons (Asia) Pte. Ltd. Singapore.

Dev Raj Adhikari, *Fundamentals of Human Resource Management*. Buddha Academic Publishers and Distributors Pvt. Ltd.

Labor Act of Nepal.

PSY 201: Basic Psychology

Credits: 3
Lecture Hours: 48

Course Objective

To enable the students to understand basic processes and structures underlying human behavior as a basis for managing people in an organizational setting.

Course Description

This course contain introduction, perception, social thought and behavior, motivation and emotion, learning, memory and forgetting, thinking and problem solving, human intelligence, personality.

Course Details

Unit 1: Introduction

6 LHs

- **Understanding Psychology** – concepts, goals of psychology, major perspectives in psychology (behavioral, cognitive, biological, evolutionary, developmental, psychodynamics, and social and cultural). Psychology 2000 – trends for new millennium. Applications of psychology in everyday life.
- **Research methods in Psychology**
 - i) Observation – naturalistic observation, case studies, survey
 - ii) Correlation method
 - iii) Experimental method

Unit 2: Perception, Social Thought and Behavior

6LHs

- Concepts, factors influencing perception. Perceptual organization. Constancies and Illusions;
- **Person perception** – Concept, Kelly’s attribution theory, Impression Formation; Perceptual error and biases
- **Social behavior**
 - i) Persuasion, ii) attitudes, iii) prejudices and techniques to reduce it
- **Social influences-** i) conformity, ii) compliance, iii) obedience (Milgram’s experiment)

Unit 3: Motivation and Emotion

6LHs

- **Motivation** - concept, motivational cycle, types of motives – primary and secondary. Motivational theories – drive theory, arousal theory, expectancy theory, goal-setting theory, and equity theory.
- **Emotion** – concept, types of emotions, external constraints on emotion – organizational influences and cultural influences. Gender and emotion.
Emotional labor – felt emotion vs. displayed emotion.

Organization behavior applications of emotion – ability and selection, decision-making, creativity, interpersonal conflict, deviant workplace behaviors, Implications of emotion for managers.

Unit 4: Learning

6LHs

- **Concept and Importance**
- **Models of learning**-behavioral models (classical and operant conditioning), cognitive model (social/observational learning).
- Application of learning theories

- i) Shaping behavior - positive reinforcement, negative reinforcement, and punishment
- ii) Schedule of reinforcement
- iii) Behavior modification

Unit 5: Memory and Forgetting

7LHs

- **Memory** – concept, memory process (encoding, storage, retrieval)
- **Memory system** – sensory memory, short-term memory, long-term memory (Atkinson and Shiffrin model)
- **Contemporary approaches to memory** – working memory, long-term memory modules: declarative memory (semantic memory and episodic memory,) and procedural memory,
- **Improving memory**
- **Forgetting** – concept, causes of forgetting – i) decay, ii) inhibition (proactive and retroactive), iii) memory dysfunctions – Alzheimer’s disease, amnesia – retrograde amnesia and anterograde amnesia.

Unit 6: Thinking and Problem Solving

6 LHs

- **Thinking**
 - Thinking – concept, elements of thought – mental images and concepts
 - Creativity – concept ,stages of creative thinking
 - Reasoning – algorithms and heuristics
- **Problem solving** – concept, stages in problem solving, methods of problem solving, factors affecting problem solving - functional fixedness and mental set
- **Decision-making** – Concept, common biases and errors in problem solving - i) over-confidence, ii) anchoring bias, iii) availability bias, iv) confirmation bias, v) representative bias, vi) escalation of commitment, vii) hindsight bias.

Unit 7: Human Intelligence

6 LHs

- Intelligence-Concept , major approaches of intelligence - Two-factor theory, Group factor theory, Gardner’s theory of multiple intelligence, Sternberg’s Triarchic theory, Cattle’s Fluid and Crystallized intelligence. Variation in intellectual ability – mental retardation and intellectually gifted. Role of heredity and environment.
- Emotional intelligence: Concept, Goleman’s dimensions of emotional intelligence. Emotional intelligence in work place. Applications of emotional intelligence .

Unit 8: Personality

5 LHs

Concept, determinants – heredity, environment and situation. Personality traits -MBTI and Big Five Models, personality attributes influencing organization behavior. Measurement of personality-objective method (MMPI), and projective methods (RT and TAT),Personality and Behavior in Work Setting

Text books

Baron, R.A. *Psychology*. Fifth Edition. Prentice-Hall of India.

Feldman, R. S. *Understanding Psychology*. Tenth edition. Tata McGraw-Hill.

References

Ciccarelli,Saundra K. and Meyer Glene E.(2013). *Psychology*. South Asian Edition,Pearson Education.

Robbins, S.P. (Latest edition).Essential of *Organizational Behavior*. Prentice Hall of India.

IT 202 Introductory Database

Credits: 3
Lecture Hours: 48

Course Objectives

This module aims to provide the students with the basic knowledge, issues and manipulation of database so that the students develop the skill of producing reports and managing business information.

Course Description

Introduction to DBMS, Types of DBMS, Data Models, Relational Database Model, Entity Relationship models, Structured Query Language, Distributed Database Management Systems, Database Security, and Designing Good Designed Database

Course Details

Unit 1: Introduction to DBMS

5LHs

- Introduction to Database Management System
- DBMS vs File System
- View of data
- Data models
- Database Languages: DML, DDL
- Database users and administrators
- Transaction Management
- Database System Structure
- Application architectures

Unit 2: Types of DBMS

2LHs

- Types of DBMS
- Relational DBMS
- Object-oriented Database Management System

Unit 3: Data Models

5LHs

- Basic concepts
- Constraints
- Keys
- Design issues
- The Entity Relationship Database Model
- Weak entity sets
- Extended E-R Features
- Design of an E-R database schema
- Reduction of an R-R schema to tables

Unit 4: Relational Database Model

5LHs

- Structure of relational databases (Basic Structures, Database schema, keys, Schema Diagram, query languages, joins (Natural, outer))
- Data Integrity
- Types of Data Integrity (Entity integrity constraint (Primary key), Referential Integrity, Domain Constraints, triggers, assertions)
- Relationships within the Relational Database

Unit 5: Entity Relationship Modeling

6LHs

- Entity Relationship modeling
- Entities, Attributes, Relationships
- Degree of a relationship

- Connectivity and Cardinality
- Specialization and Generalization Entity relationship diagram

Unit 6: Structured Query Language

7LHs

- Structured Query Language
- Data Definition Language
- SQL Constraints
- Creating Tables
- Data Manipulation Languages (Insert, Update, Delete, Select)
- SELECT Queries
- Syntax for the SELECT statement
- SQL Views
- JOIN

Unit 7: Distributed Database Management Systems

5 LHs

- Distributed Database Management System
- Characteristics of DDBMS
- Advantages / Disadvantages of DDBMS
- Components of Distributed Database system
- Distributed Database Design
- Fragmentation (horizontal and vertical fragmentation)

Unit 8: Database Security

5LH

- Authorization is SQL (privileges in SQL)
- Roles
- The privilege to Grant Privileges
- Limitations of SQL authorization

Unit 9: Designing Good Designed Database

5LHs

- Normalization
 - Functional Dependencies: partial dependency, transitive dependency, join dependency, multivalued dependency
- Update Anamolies
- Normal forms: First, Second, Third, Fourth, Fifth

Text Book

Abraham Silberschatz, Henry Korth, S. Sudarshan, *Database System Concepts*,
C.J. Date, *An Introduction to Database Systems*

Reference Books

Philip J. Pratt and Joseph J. Adamski , *Concepts of Database Management* , Cengage Learning,
7 edition (June 14, 2011)
David Kroenke , David Auer , *Database Concepts* (6th Edition), Prentice Hall; 6 edition (July 20,
2012)

Fourth Semester Syllabus

S.No.	Course Code	Course Name	Credits	Remarks
1	FIN 204	Corporate Finance	3	
2	FIN 205	Financial Markets and Institutions	3	
3	MKT 201	Fundamentals of Marketing	3	
4	MGT 205	Operations Management	3	
5	IT 203	Management Information System	3	
Total			15 Credits	

FIN 204: Corporate Finance

Credits: 3
Lecture hours: 48

Course Objective

The objective of this course is to impart knowledge and analytical skills of corporate finance on raising and using funds most effectively by a corporate firm. At the completion of this course the students will: have a clear understanding of the financial environment in which they undertake financial decisions, estimate cash flows for capital budgeting purpose, be able to compute cost of capital and raise capital from the capital market by issuing securities, analyse the impact of leverage on capital structure, decide pay-outs to shareholders, evaluate working capital policy of the firm and understand corporate finance in international context.

Course Description

This course Corporate Finance complements the course Financial Management by incorporating the topics not covered in the Financial Management. Therefore, the primary motive is to equip students with concepts and skills required for financial decision making. The course begins with the description of financial environment in which financial decisions are made. Then it proceeds to the estimation of the cash flows of capital projects and discusses techniques to deal with the uncertainties of cash flows. The course further deals with the cost of capital and the methods of raising funds from the financial markets, and examines their relationship with the capital structure. Next, it moves to deal with two other important functions of corporate finance – dividend decision and working capital management. Finally, the course also briefly covers the international dimension of the corporate finance. The Nepalese perspective will be addressed at relevant places.

Course Details

Unit 1: Corporate Finance and Financial Environment

4 LHs

Overview of corporate finance; Financial markets and corporation; Ethics in financial decision making; Recent innovations in corporate finance.

Unit 2: Capital Investment Decision

8 LHs

Overview of capital investment decision; Project cash flows; Estimation of: Initial investment, annual net cash flows and terminal cash flows; Evaluating the project; Capital rationing; Scenario, sensitivity and simulation analysis.

Unit 3: Cost of Capital

6 LHs

Concept of cost of capital; Component cost of capital: Cost of debt, cost of preferred stock and cost of internal and external equity; Weighted average cost of capital; Break caused by retained earnings; WACC below and above break point; Divisional and project cost of capital.

Unit 4: Raising Capital

6 LHs

The financing life cycle of a firm: Early-stage financing and venture capital; Selling securities to the public: Initial public offering, further public offerings and rights offerings; Issuing long-term debt; Investment banking process.

Unit 5: Financial Leverage and Capital Structure Policy

5 LHs

Effect of financial structure on EPS and ROE; Measuring leverage: Degree of operating leverage and degree of financial leverage; optimal capital structure; Pecking-order theory; Capital structure and value of the firm.

Unit 6: Dividend Policy**5 LHs**

Cash dividend and dividend payment; Factors affecting dividend policy; Establishing a dividend policy; Stock dividend, stock splits and reverse stock splits; Stock repurchases

Unit 7: Working Capital Management**6 LHs**

Concept of working capital; Determinants of the size of working capital; Importance of working capital management; Operating cycle and cash conversion cycle; Current asset investment and financing policies.

Unit 8: International Corporate Finance**8 LHs**

Introduction; Foreign exchange markets and exchange rates; Purchasing power parity; Interest rate parity; International capital budgeting; Exchange rate risk; Political risk.

Basic Textbook:

Stephen A. Ross, Randolph W. Westerfield and Bradford D. Jordan. *Fundamentals of Corporate Finance*. New Delhi: Tata McGraw Hill Education Pvt. Ltd.

Reference Books:

James C. Van Horne and John M. Wachowicz, Jr. *Fundamentals of Financial Management*. New Delhi: Prentice-Hall Limited.

Eugene F. Brigham and Joel F. Houston. *Fundamentals of Financial Management*. Singapore: Thomson, South-Western.

FIN 205: Financial Markets and Institutions

Credits: 3
Lecture hours: 48

Course Objective

This course aims to create strong foundation of financial markets and institutions by familiarizing students with the role, functions, structure and regulation of financial markets and financial institutions; and develop the skill to determine the market interest rates, yield to different instruments of money market and capital market, and analyze financial performance of commercial banks.

Course Description

This course deals with fundamental aspects of financial institutions and markets. This course begins with the overview of financial markets and institutions and proceed to the determination of interest rates in the market. Then it discusses the role of central bank and monetary policy instruments. Next, it covers to two important components of the financial market – money market and capital markets. The course further deals with the major aspects of financial institutions – commercial banks and other lending institutions, insurance companies, mutual fund and pension funds and their roles in the economy. Finally, it also briefly touches upon the role of security dealers and investment bankers in the financial markets.

Course Details

Unit 1: Introduction

4 LHs

Overview of financial markets; Overview of financial institutions; Globalization of financial markets and Institutions; Financial markets and institutions in Nepal.

Unit 2: Determinants of Interest Rates

5 LHs

Interest rate fundamentals; Loanable funds theory: supply of loanable funds, demand for loanable funds, and equilibrium interest rate; Determinants of interest rates for individual securities; Term structure of interest rate; and Interest rate structure in Nepal.

Unit 3: The Central Bank and Monetary Policy

5 LHs

The central bank and its purposes; Monetary policy tools: open market operations, the discount rate, and reserve requirements; and Nepal Rastra Bank and monetary policy of Nepal.

Unit 4: Money Markets

5 LHs

Yields on money market securities; Money markets securities; Money market participants; and Money markets in Nepal.

Unit 5: Capital Markets

10 LHs

Bond market: Bond market securities and participants; Stock market: stock market securities, primary and secondary stock markets, stock market participants; Mortgage markets: Primary mortgage market, secondary mortgage market, participants in mortgage markets; Foreign exchange markets: foreign exchange markets and risk, foreign exchange rates and transactions; Capital market securities; Derivatives securities markets brief introduction; The role of securities firm and investment banks; and Capital markets in Nepal.

Unit 6: Commercial Banks and Other Lending Institutions**10 LHs**

Definition of commercial bank; Financial statements, and off-balance sheet assets and liabilities; Financial statement analysis using a return on equity framework; Regulation of commercial banks Saving associations; Saving banks; Credit unions; Finance companies; Development bank; and Micro-credit development banks; Classification and regulation of financial institutions in Nepal.

Unit 7: Insurance Companies**4 LHs**

Categories of insurance companies; Life insurance; Property-casualty insurance companies; Overview of insurance industry in Nepal; and Regulation and supervision mechanism in Nepal.

Unit 8: Mutual funds and Pension Funds**5 LHs**

Mutual funds: concept, types, NAV and fund operating expenses; Concept of pension funds; Types of pension plans – defined-benefit plan, defined-contribution plan, and calculation of retirement benefits under defined benefit plan and defined contribution plan; and Mutual fund and pension fund management in Nepal.

Basic Texts

Saunders, A. & Cornett, M. M., *Financial markets and institutions*. New Delhi: Tata McGraw Hill Education.

Reference Books

Kohn, M., *Financial institutions and markets*, New Delhi: Oxford University Press India.

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

MKT 201: Fundamentals of Marketing

Credits: 3

Lecture Hours: 48

Course Objectives

This course aims to build students' understanding of the marketing process and principles and inculcate basic skills to analyze marketing decision situations.

Course Description

This foundation course on marketing deals on the operation of the marketing functions in a dynamic and competitive environment. It deals comprehensively on issues of emerging marketing practices and challenges. The course includes topics that help students to understand marketing process and environment, information systems and buyer behavior, segmentation, targeting, and positioning strategies, and strategies related to marketing mix variables.

Course Details

Unit 1: Introduction

LHs 6

Meaning of marketing. Evolution of the marketing philosophies - Basic principles of the production, product, selling, marketing, and holistic marketing concepts. Meaning and tasks of marketing management. Marketing challenges of the 21st century and firms' responses to the challenges. Concept, relevance and practices of relationship marketing, green marketing, and e-marketing. Components of the marketing mix for products and services.

Unit 2: Marketing Environment

LHs 4

Meaning and scope of marketing environment; Micro environment variables, and Macro environment variables; Reactive and proactive marketing. Marketing environment in Nepal.

Unit 3: Marketing Information System and Buyer Behavior

LHs 4

Concept and relevance of information in marketing decisions. Components of the marketing information system. Marketing research areas and process.

Unit 4: Buyer Behavior

LHs 6

Organizational buyer behavior – Buying process and influencing factors. Consumer behavior – buying process and influencing factors. Global consumer movements and consumer protection.

Unit 5: Segmentation, Targeting and Positioning Strategies

LHs 4

Concept, process, requirements, and levels of market segmentation. Bases for segmenting consumer and organizational markets. Segment evaluation, analysis and selection. Concept and types of positioning; product positioning process.

Unit 6: Product Decisions

LHs 8

Concept and levels of the product. Product classifications and marketing considerations. Product life cycle stages and strategies. New product development process. Branding strategies – branding objectives, types of brand, and concept of brand equity. Packaging: functions and levels of packaging; essentials of a good package. Product line and mix strategies. Service product strategies - service marketing concept, characteristics of services and marketing strategies; management of people, physical evidences, and process.

Unit 7: Pricing Decisions

LHs 6

Concept of price and pricing. Importance of pricing for the firm and the economy. Internal and external price factors. Pricing approaches-cost-based, demand-based, value-based and competition-based approaches. New product pricing decisions. Price lining and price adjustment decisions. Initiating and responding to price changes.

Unit 8: Distribution Decisions**LHs 4**

Concept and objectives of distribution. Channel functions and flows. Channel designs for consumer and industrial products. Channel selection factors. Channel conflicts and their resolution. Concept, nature and objectives of marketing logistics. Major logistics functions -transportation, warehousing, inventory management, order processing, and customer services decisions.

Unit 9: Promotion Decisions**LHs 6**

Concept and objectives of promotion. Marketing communication process and systems. Promotion mix components. Promotion mix determination factors. Advertising: Nature and objectives. Nature and relevance of personal selling. Nature and objectives of sales promotions. Sales promotion tools and techniques. Nature, objectives and tools of public relations. Concept, relevance and methods of direct marketing.

Basic Texts

Kotler, Philip, Gary Armstrong, Prafulla Agnihotri and Ehsan ul Haque. *Principles of Marketing: South Asian Perspective*. Prentice Hall of India, New Delhi, India.

Baines, Paul, Chris Fill and Kelly Page. *Essentials of Marketing*. Oxford University Press, New Delhi, India.

References

Koirala, K.D. *Fundamentals of Marketing*, M.K. Publishers and Distributors, Kathmandu, Nepal.

Kamarulzaman, Yusniza and Nor Khalidah Abu. *Principles of Marketing*, Oxford University Press, New Delhi, India.

MGT 205: Operations Management

Credits: 3

Lecture Hours: 48

Course Objective

This course aims to impart the basic knowledge, tools and techniques of operations management to students.

Course Description

Introduction to operations management. Operations strategy, Product and service design, Location decision and facility layout, linear programming , Aggregate planning , Inventory management and The quality system.

Course Details

Unit 1: Introduction

6 LHs

Meaning ,definitions, and objectives; The transformation process; Differences between production and service operations; Scope of operations management; Operations and supporting functions; Role of the operations manager; Production system: Intermittent and continuous; Key issues for operations managers; Historical evolution of operations management; Productivity: concepts, types , factors affecting productivity; Productivity measurement, concept on green productivity; Supply chain management (concept only).

Unit 2: Operations Strategy

3 LHs

Introduction to operations strategy; Operations strategy as a competitive weapon; Linkage between corporate, business and operations strategy; Components of operations strategy; Manufacturing strategies; Service strategies.

Unit 3: Product and Service Design

5LHs

Concept on product and service design; Product development process; Difference between product and service design; Emerging issues in product and service design; Value analysis, concurrent engineering and quality function deployment; Waiting line theory (Single channel only).

Unit 4: Locations decision and Facilities layout

5 LHs

Reasons and Importance of location decisions; Factors affecting location decision of service, and manufacturing organizations; Techniques of location analysis: Qualitative and quantitative analysis; Concept on layout; Types of layout: Product layout , process layout , cellular layout , fixed position layout; Designing process layout.

Unit 5: Linear programming

10 LHs

Introduction to linear programming; Graphical and simplex method; Introduction to duality and sensitivity analysis by using solver; Assignment model (only minimization case); Transportation model (Only minimization case: excluding loop formation).

Unit 6: Aggregate planning

4LHs

Concept on aggregate planning; Aggregate planning strategies; Planning options; Aggregate planning in services.

Unit 7: Inventory Management

4 LHs

Concept and importance; Inventory costs; Dependent and independent demand; Inventory systems- continuous and periodical; Basic EOQ Model (with and without discount); ABC classification.

Unit 8: The Quality System

8 LHs

Introduction to quality; Historical evolution of Total Quality Management; Definitions of quality; Philosophy, principles and concepts of Total quality management. Costs of quality; Quality

Control: Introduction, objectives, advantages; Statistical process control -Control charts- control charts for variable and attributes; JIT and Six Sigma; Quality Management System: ISO 9000 series; 7 tools for the quality.

Addendum: At least one case will be administered at the end of each chapter. The students will also complete a project work and a few other assignments as specified by the faculty member.

Class Lecture = 45 hrs.

Tutorials = up to 15 hrs.

Assessment = 3 hrs.

Reference Books

- Adam and Ebert (2007), *Production and Operations Management*, Fifth Edition, New Delhi: Prentice-Hall of India Private Limited
- Bajracharya P., Bajracharya S. and Maharjan B. (2007), *Production and Operations Management*, First Edition, Kathmandu: Quest Publication
- Chase, Jacobs, Aquilano and Agrawal (2006), *Operations Management for Competitive Advantage*, Eleventh Edition, New Delhi: Tata McGraw-Hill Publishing Company Limited
- Dahlggaard Jens. J, Kristensen K and Kanji G.K. (2002), *Fundamentals of Total Quality Management Process analysis and improvement*, London and New York: Taylor and Francis
- Gaither and Frazier (2002), *Operations Management*, Ninth Edition, Singapore: Thomson Asia Pte Ltd.
- Krajewski and Ritzman (2002), *Operations Management*, Sixth Edition, Delhi: Pearson Education (Singapore) Pte.Ltd
- Manandhar, K.D. and Shrestha, K.N. (2000) *Production and Operations Management*, Kathmandu: Valley Publishers
- Regmi, Joshi, Chaudhary and Fago (2003), *Production and Operations Management*, Second Edition, Kathmandu: Buddha Academic Enterprises Pvt.Ltd.
- Shrestha, S. and Silwal, D. (2000), *Production and Operations Management*, Kathmandu: Taleju Prakashan
- Stevenson W.J. (2014). *Operations Management*, Twelfth Edition, New York: McGraw-Hill Education
- Sthapit, Yadav, Tamang, Dhital and Adhikari, (2007), *Production and Operations Management*, Second Edition, Kathmandu: Asmita Books Publishers & Distributors

IT 203: Management Information System

Credit Hours: 3
Lecture Hours: 48

Course Objective:

The main objective of this course is to equip students with the new tools and techniques of management information system with a view familiarize them to the state-of-the-art-technology and its applications in managing information.

Course Description

This course contains Information Systems in Global Business Today, Global e-business and Collaboration, Information Systems, Organizations and Strategy, Ethical and Social Issues in Information Systems, Information Technology Infrastructure, Foundations of Business Intelligence: Databases and Information Management, Securing Information Systems, Building Information Systems.

Course Details

Unit 1: Information Systems in Global Business Today

LH 7

Opening Case: The New Yankee Stadium Looks to the Future

The Role of Information Systems in Business Today, New in management information system, Globalization Challenges and Opportunities. A Flattened World

The Emerging Digital Firm, Strategic Business Objectives of Information Systems

Dimensions of Information Systems

Interactive Session: Technology UPS competes Globally with information Technology

A business Perspective on Information Systems; complementary assets: Organizational capital and the eight business model

Hands-on MIS projects

Management Decision Problems; Improving Decision Making; Using Databases to analyze Sales Trends;

Case Study: What's the Buzz on Smart Grids?

Unit 2 : Global e-business and Collaboration

LH 7

Opening Case: America's Cup 2010: USA wins with information technology

Business Processes and Information Systems; business processes; Business improvement with information technology

Types of Business information systems; systems for different management Groups; systems for linking the enterprise

Interactive session: Organizations Domino's Sizzles with Pizza Tracker

System for Collaboration and teamwork

Interactive session: Management: Virtual meetings: Smart Management

The information systems function in business; the information systems department; organizing the information systems function

Hands-on MIS project

Management decision problems; improving decision making: Using a spreadsheet to select

suppliers; Achieving operational excellence: Using Internet Software to Plan Efficient Transportation Routes

Systems from a functional perspective: IT enables collaboration and teamwork; challenges of using business information systems; organizing the information systems function

Unit 3 : Information Systems, Organizations and Strategy

LH 7

Opening Case: Verizon or AT&T – which company has the best digital strategy?

Organizations and Information systems

How Information Systems impact organizations and business firms; economic impacts; organizational and behavioral impacts; the Internet and organizations; implications for the design and understanding of information systems

Using information systems to achieve competitive advantage; Porter' Competitive Forces Model; Information system Strategies for dealing with competitive forces; the Internet's impact on competitive advantage

Interactive Session: Organizations How much do credit card companies Know About You?

The Business value chain model

Using systems for competitive advantage: Management Issues; sustaining competitive advantage; Aligning IT with business objectives; Managing Strategic Transitions

Hands-on MIS Projects; Management Decision Problems; Improving Decision making: Using a database to clarify business strategy; improving decision making: Using web tools to configure and price an automobile

Unit 4: Ethical and Social Issues in Information Systems

LH 4

Opening Cases: Behavioral Targeting and Your Privacy: You're the Target

Understanding Ethical and Social issues related to systems

A model for thinking about ethical, social and political issues; five moral dimensions of the information age; key technology trends that raise ethical issues

Interactive session: Organizations The Perils of Texting

Interactive session: Technology Too much technology

Hands-on MIS Projects

Unit 5: Information Technology Infrastructure

LH 6

IT infrastructure and emerging technologies

Opening case: BART Speeds Up with a new IT infrastructure

IT infrastructure; Defining IT infrastructure; evolution of IT infrastructure; Technology Drivers of infrastructure evolution

Infrastructure components; computer hardware platforms; operating system platforms; enterprise software applications

Interactive session: technology New on the eTouch

Data Management and storage; networking/ telecommunications platforms; Internet Platforms; Consulting and System integration services

Interactive session: Organizations Is Green Computing Good for business?

Hands-on MIS project

Unit 6: Foundations of Business Intelligence: Databases and Information Management **LH 4**

Opening Case: RR Donnelly Tries to Master its data

Organizing Data in a traditional file environment; file organization concepts; problems with the traditional file environment

The database approach to data management: Database Management Systems; capabilities of database Management systems; designing database

Using databases to improve business performance and decision making; data warehouses; tools for business intelligence: Multidimensional data analysis and data mining

Interactive session: Technology: What can businesses learn from text mining?

Hands-on MIS projects

Unit 7: Securing Information Systems **LH 5**

Opening Case: You're on Facebook? Watch Out

System vulnerability and abuse: vulnerability; malicious softwares; hackers and computer crime; Internal Threats: employees;

Business value of security and control; legal and regulatory requirements for electronic records management; electronic evidence and computer forensics

Establishing a framework for security and control; information systems controls; risk assessment; security policy; disaster recovery planning and business continuity planning; the role of auditing

Hand-n MIS projects

Unit 8 : Building Information Systems **LH 8**

Opening Case: CIMB Group Redesigns Its Account Opening Process

Systems as Planned Organizational Change

Systems Development and Organizational Change • Business Process

Redesign

Overview of Systems Development

Interactive Session: Organizations Can Business Process Management Make a Difference?

Systems Analysis • Systems Design • Completing the Systems Development Process • Modeling and Designing Systems: Structured and Object-Oriented Methodologies

Alternative Systems-Building Approaches

Traditional Systems Life Cycle • Prototyping • End-User Development • Application Software Packages and Outsourcing

Interactive Session: Technology Zimbra Zooms Ahead with OneView

Application Development for the Digital Firm

Rapid Application Development (RAD) • Component-Based Development and Web Services

Hands-on MIS Projects

Text Book

Laudon, Laudon, "*Management Information Systems Managing the Digital Firm*", twelfth edition

Fifth Semester Syllabus

S. No.	Course Code	Course Name	Credits	Remarks
1		Business Research Methods	3	
2		Fundamentals of Investment	3	
3		Business and Financial Law	3	
4		Business and Society	3	
5		Entrepreneurship and Small Business Management	3	
		Total	15 Credits	

RCH 201: Business Research Methods

Credit: 3
Lecture Hours: 48

Course Objectives

This course is an introduction on how to do business research. This course aims to extend and deepen the understanding of different research approaches and methodologies in order to prepare business students for their own research projects. This course will assist students in identifying, discussing and formulating a research problem, in selecting and applying appropriate research approaches and methods of inquiry (both quantitative or qualitative), and in presenting their results.

Course Description

Students will learn theoretical concepts that chart the connections among the various factors operating in any given situation that are integral to business research and the basic process of problem statement, literature review, hypothesis formulation, the principles of research design, measurement methods, sampling, data collection, data analysis and research proposal writing. Students will also be introduced to a range of relevant quantitative and qualitative business research techniques, including the applications of various analytical tools.

Course Learning Outcomes

On completion of this course the students will be able to:

- Define research and explain the types and nature of research;
- Demonstrate an understanding of the steps and process of scientific research;
- State the research problems and explain the different methods that can be used to state the problem;
- Write a literature review that synthesizes and evaluates literature in a specific topic area to justify the research questions;
- Develop research questions and hypotheses, and incorporate them into a methodologically sound research proposal for thesis/project;
- Describe different research designs and their characteristics, advantages and disadvantages;
- Assess measurement and scaling options to determine appropriate measures required to address specific research questions;
- Apply proper sampling designs and procedures to business research;
- Compare and contrast qualitative and quantitative research methods and the suitability of different methods of gathering data;
- Prepare research proposals and research reports by following all elements of research writing.

Course Details

Unit 1: Starting with Research

6 LHs

Definition and concept of research; Types of research; Scientific research: meaning and process; Features of scientific research; Application of scientific thinking in research; Emerging paradigms in research; Positivism vs. interpretiveism; Quantitative and qualitative approaches to research; Business research – nature, purpose, types and scope of business research; Ethics in research.

Unit 2: Creating Literature Review and Developing Theoretical Framework

5 LHs

Literature review: purpose and steps; Procedure of reviewing the literature; Sources of literature; Literature search through the internet and library; Format and guidelines for

presenting the literature review; Theoretical framework: concept and format; Research and theory: deduction and induction.

Unit 3: Defining Research Problem and Hypothesis Formulation

5 LHs

Research problem: definition, concept and steps in stating a problem; Setting objectives and research questions; Hypothesis: functions and types; Characteristics of good hypothesis statement.

Unit 4: Formulating the Research Design

6 LHs

Definition; Types of research design: exploratory, descriptive, developmental, case study, causal-comparative, and experimental research designs; Errors in research designs; Qualitative research: concept, basic assumptions and features; Qualitative research design.

Unit 5: Scaling and Sampling

5 LHs

Variables: concept and types; Measurement and scales: scale construction and attitude measurement; Scales and techniques commonly used in business research; Validity and reliability of measurement; Sampling: concept, probability and non-probability sampling; Sampling and non-sampling errors.

Unit 6: Identifying Data Sources, Developing Instruments and Collecting Data

8 LHs

Primary and secondary data: meaning and sources; Questionnaire: principles, components, types, construction process, pilot testing; Questionnaire; Research interviews; Sources of qualitative data: observation, participant observation, focus groups; E-research using internet and websites to collect data from individuals; Web surveys and e-mail surveys.

Unit 7: Analyzing Data

8 LHs

Getting data ready for analysis; Data processing; Presenting data in graphs and tables; Statistical analysis of data: descriptive and inferential statistics; Analyzing data using SPSS; Hypothesis testing; Errors in hypothesis testing – Type I and Type II errors; Methods of analyzing qualitative data.

Unit 8: Writing Proposals and Project Reports

5 LHs

Selection of research topics; Research proposals: functions, types and contents; Features of research proposal; Research report: concept, process, types and procedure for writing research reports; Components of the project report; Body of the project report; Documenting sources: APA style of citation and referencing; Essentials of good research report.

Basic Books

Bryman, A., & Bell, E. *Business Research Methods*. New Delhi: Oxford University Press.
Pant, P. R. *Business Research Methods*. Kathmandu: Buddha Academic Enterprises.

References

Cooper, D. R., & Schindler, P. S. *Business Research Methods*. New Delhi: Tata McGraw Hill.
Zikmund, W. G. *Business Research Methods*. New Delhi: Thompson.
Flick, U. *An Introduction to Qualitative Research*. New Delhi: Sage South Asia Edition.

FIN 206: Fundamentals of Investment

Credit: 3
Lecture Hours: 48

Course Objectives

This course introduces the essentials of investing. The course objective is to acquaint students with investment alternatives, securities trading mechanism, asset allocation decision procedures, principles of diversification, and ethical and professional standards in investment industry. The course will further support to develop basic skills in investment planning, securities analysis and portfolio management. The intent of the course is to enable students to demonstrate proficiency in fundamentals of securities markets and investment.

Course Description

This course provides a general introduction to the principles and practices of securities trading and investment management. Special emphasis is given to exploring the investment environment, securities markets operations, asset allocation decision and portfolio construction, basics of asset pricing theories, and analyzing bonds and equities in terms of prices and yields. The course also examines the investment decision making process of individual and institutional investors, and role and responsibilities of investment companies in portfolio management. The course further focuses on ethical conduct and professionalism in investment industry.

Course Learning Outcomes

On completion of this course the students will be able to:

- Define investment and investment process;
- Identify investment alternatives;
- Describe how securities are issued, and traded among investors;
- Explain how investors benefit from services offered by investment companies;
- Examine securities trading practices in Nepal;
- Relate investment objectives with asset allocation decisions;
- Demonstrate basic skills in portfolio construction and analysis;
- Demonstrate basic skills in assessing prices and yields of bond and equities;
- Describe the need for ethics and professionalism in investment industry, and identify the code of ethics and standards of professional conduct.

Course Details

Unit 1: Investment Environment

4 LHs

Investment concept; Asset classes: real assets, financial assets; Classification of financial assets: fixed income securities, equity securities, derivative securities; Financial markets and the economy; Investment process; Financial markets participants; Investment environment in Nepal.

Unit 2: Securities Markets

10 LHs

Organization of the securities market; Primary capital markets: government bond issues, municipal bond issues, corporate bond issues, corporate stock issues, private placements; Importance of secondary market; Market structure: types of market, types of orders, trading mechanism, the rise of electronic trading, electronic communication networks (ECNs); Trading mechanism of Nepal Stock Exchange (NEPSE); Stock market indexes: concept, need, methods of calculation, index maintenance after corporate events, stock market indexes in Nepal; Bond market indicators; Trading costs; Buying on margin; Short sales; Regulation of securities market: regulatory approaches, role and responsibilities of Securities Board of Nepal (SEBON); Self-regulation; Insider-trading.

Unit 3: Investment Companies**6 LHs**

Concept and need; Organization and management of investment companies; Types of investment companies; Mutual funds investment policies; Costs of investing in mutual funds: fee structure, mutual fund returns; Exchange-traded fund (ETF); Specialized investment funds (SIFs); Hedge funds versus mutual funds; Mutual fund investment performance; Mutual funds in Nepal: organizational structure, market size, financial reports.

Unit 4: Introduction to Portfolio Theory**12 LHs**

Risk and return: measurement of returns, inflation and the real rate of interest, risk and risk premiums, portfolio expected return and risk; Asset allocation across risky and risk-free portfolios: risk-free asset, capital allocation line, risk aversion and capital allocation; Passive strategies and the capital market line: historical evidence on the capital market line, costs and benefits of passive investing; Efficient diversification: diversification and portfolio risk, asset allocation with two risky assets, optimal risky portfolio with a risk-free asset, efficient diversification with many risky assets, single-index stock market, risk of long-term investment; Capital asset pricing model (CAPM): concept, assumptions and implications, security market line, applications of the CAPM.

Unit 5: Bond Prices and Yields**5 LHs**

Bond characteristics; Bond pricing: bond pricing method, bond pricing between coupon dates; Bond yields: yield to maturity, yield to call, realized compound return; Bond prices over time: yield to maturity versus holding-period return, zero-coupon bonds and treasury STRIPS, after-tax returns; Default risk and bond pricing: junk bonds, determinants of bond safety, bond indentures, yield to maturity and default risk; Yield curve; Interest rate risk.

Unit 6: Equity Valuation**5 LHs**

Valuation by comparables; Intrinsic value versus market price; Dividend discount models (DDM): constant-growth DDM, stock prices and investment opportunities, life cycles and multistage growth models; Price-earnings Ratio: price-earnings ratio and growth opportunities, price-earnings ratios and stock risk, pitfalls in price-earnings analysis, combining price-earnings analysis and the DDM, other comparative valuation ratios; Free cash flow valuation approaches; Comparing the valuation models; Problem with discounted cash flow models; The aggregate stock market.

Unit 7: Investors and the Investment Process**4 LHs**

Investment management process; Investor objectives: individual investors, professional investors, life insurance companies, non-life insurance companies, banks, endowment funds; Investor constraints: liquidity, investment horizon, regulations, tax considerations, unique needs; Investment policies: top-down policies for institutional investors, active versus passive policies; Monitoring and revising investment portfolios.

Unit 8: Ethical and Professional Standards**2 LHs**

Ethics and the investment industry; Code of ethics; Standards of professional conduct.

Basic Book:

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

References:

CFA Institute. *Standards of Practice Handbook*. Charlottesville, Virginia: CFA Institute.

Reilly, F. K., Brown, K. C., & Leeds, S. J. *Investment Analysis and Portfolio Management*. Andover, Massachusetts: Cengage Learning.

MGT 222: Business and Financial Law

Credit: 3
Lecture Hours: 48

Course Objectives

The objective of this course is to provide students with basic understandings of the fundamental concept, principles and legal frameworks of business and financial laws so as to prepare them as managers capable of evaluating decisions from legal perspective and resolving legal issues for effective management of financial operations in the organization.

Course Description

This course is an introduction to the laws relating to business and finance. This course aims to familiarize students regarding the concept of business law with reference to financial aspect with the relevant principles and various legal provisions of laws relating to business and finance. The course covers the laws relating to the business and financial system like general principles of contract, including some specific contracts (bailment and pledge, indemnity and guaranty, sale of goods); company: incorporation, operation, auditing and liquidation of business organizations); corporate finance (share capital and loan capital); operations of banks and financial institutions, cooperatives and insurance companies.

Course Learning Outcomes

On completion of this course the students will be able to:

- Familiarize the concept and nature of law, business laws and financial laws;
- Understand fundamental concept, principles and legal frameworks of business laws (general and specific contracts and corporate law);
- Write up contracts that meet legal provisions as specified in Muluki Civil Code,
- Meet regulatory requirements during incorporation, operation and liquidation of companies as per Companies Act and other relevant regulations;
- Understand fundamental concept, principles and legal frameworks of financial laws;
- Understand major provisions regarding the formation and functioning of Securities Board and the regulation of the securities market as per Securities Act and other relevant regulations;
- Understand the major provisions of acts (NRB Act, Banks and Financial Institutions Act, Anti-money Laundering Act, Banking Offence and Punishment Act) related to the operations and regulations of banking and financial institutions.

Course Details

Unit 1: Introduction to Business and Financial Law

5 LHs

Law: meaning, characteristics and types; Dispute settlement systems: court system and ADR (Arbitration); Business law: nature, characteristics and sources of Nepalese business law; Financial law: nature and characteristics of financial law.

Unit 2: The Contract Law of Nepal

15 LHs

Concept of law of obligation and contract; Meaning and types of contract and formation of contract; Difference between contract and agreement; Essential elements: offer and acceptance, intention to create legal relations; Competent parties, consideration, free consent, lawful objective, performance of contract, termination of contract, breach of contract and remedies for breach of contract; Specific Contracts: bailment and pledge, indemnity and guaranty, sale of goods (Part-V, Chapters 6, 7 and 8 of Muluki Civil Code, 2074).

Unit 3: The Company Law of Nepal**10 LHs**

Nature and incorporation of Company; the BoD and General Meetings (AGM / EGM); Auditing of a company (Chapters 2, 3, 4, 5, 6, 7, 8 of Company Act); Liquidation of a Company (Chapters 10, 11 of Company Act, 2063 and Chapter 5 of Insolvency Act, 2063); Sources of capital: share and debenture (Chapter 4 of Company Act 2063).

Unit 4: Capital Market and Investment Law of Nepal**6 LHs**

Securities law: concept and meaning; Formation, function, powers and duties of Securities Board; Regulation, monitoring, inspection, inquiry of Nepalese security market (Preamble, Chapters 2, 3, 4, 5 and 8 of Securities Act, 2063).

Unit 5: Banking Law of Nepal**8 LHs**

Evolution of banking laws in Nepal; Banking Legislations: NRB Act 2058 Banking Regulation in Nepal (Preamble, Chapter 9 of Nepal Rastra Bank Act, 2058); Bank and Financial Institutions Act 2073 (Preamble and Chapter 7 and relevant sections of Bank and Financial Institutions Act, 2073); Anti-money Laundering Act 2064 and Banking Offence and Punishment Act 2064 (Objectives and major provisions of these Acts); and; Financial Co-operatives: meaning and importance (Chapters 2 and 3 of Cooperatives Act, 2074).

Unit 6: Insurance Law of Nepal**4 LHs**

Concept and meaning of risk transfer and insurance Contract; Insurance law of Nepal: objectives, formation, function, powers and duties of Insurance Board and regulation of insurance companies in Nepal (Preamble, Chapters 2, 3, 4, 5 and relevant sections of Insurance Act 2049).

Basic Books

Albuquerque, D. *Legal Aspects of Business (Texts, Jurisprudence and Cases)*. New Delhi: Oxford University Press.

Kalika, S. N. *Business Law: Theory and Practice for BBA*. Kathmandu: Buddha Publication.

References

Rose, P. S. *Commercial Bank Management*. New York: McGraw Hill.

Kalika, S. N. *Banking Law in Nepal*. Kathmandu: Buddha Publication.

Tannan, M. L. *Banking Law and Practice in India*. Gurgaon: LexisNexis.

Uprety, B. R. *Introduction to the Company Law*. Kathmandu: FREEDEAL.

Government of Nepal, Arbitration Act, 2055

Government of Nepal, Banks & Financial Institutions Act, 2073

Government of Nepal, Companies Act, 2063

Government of Nepal, Insolvency Act, 2063

Government of Nepal, Insurance Act, 2049

Government of Nepal, Insurance Rules, 2049

Government of Nepal, *Muluki* Civil Code (Part-V), 2074

Government of Nepal, Nepal Rastra Bank Act, 2058

Government of Nepal, Securities Act, 2063

Government of Nepal, Asset laundering Prevention Act, 2064

Government of Nepal, Banking Offence and Punishment Act, 2064

SOC 203: Business and Society

Credit: 3
Lecture Hours: 48

Course Objectives

The main purpose of the course is to develop an understanding of the complexity of the interaction between business and society. The emphasis of this course is on ethical and social issues affecting society's stakeholder groups - customers, owners, employees, communities, and environmentalists and the challenges for business in the future.

Course Description

The course focuses on the role of business in society and on the specific ways in which this role changes. Students will gain an understanding of the role of business in society, the capacity to use knowledge to effectively analyze, debate, and solve society-related problems in a socially responsible and ethical manner, and the ability to successfully communicate potential solutions across stakeholders. Topics included in the course are: concept of business-society relations, primary and secondary stakeholder groups; the impacts of various organizational-stakeholder relationships; social responsibility of business; the biases, influences, and reasons that drive stakeholder perspectives; changing environmental forces that influence the business and society relations; ethical and good governance practices.

Course Learning Outcomes

On completion of this course the students will be able to:

- Become aware of the broader context for doing business through exposure to external stakeholders, including government and civil society;
- Define the concepts of business and society relations and their impact on business;
- Explain the mechanisms and processes of the interrelationship between business and society;
- Describe the various primary and secondary stakeholder groups, and their nature and composition;
- Analyze organizational issues from multiple stakeholder perspectives;
- Discuss the changing environmental forces that influence the business and society relations;
- Explain the concepts and practices of corporate social responsibility and good governance;
- Recognize ethical issues and understand their implications for business and stakeholders.

Course Details

Unit 1: Social Context of Business

8 LHs

Meaning of society; Components of human society: population, culture, material products, social organization, and social institutions; Basic elements of society; Culture and society; Social change: concept and characteristics; Environmental concerns of society; Changing expectations of society; Diversity in society and women at work; Social issues in Nepal; Role of business in society.

Unit 2: Business and Society Relationship

9 LHs

Concept of business-society relations; Need to understand business-society relationship; Forces shaping business and society relationship: changing social expectations, globalizations, government regulations, explosion of new technology and innovation, and growing emphasis on ethical values; Business and society relations: a systems perspective; Changing workplace scenario: external and internal factors influencing the workplace system.

Unit 3: Stakeholders of Business**8 LHs**

Concept; Classification of stakeholders: primary and secondary shareholders; Analysis of stakeholders interests and rights; Stakeholders power and influence on business activities; Stakeholder theory; Stakeholders activism; Managing stakeholder related issues, complaints and problems; NGO activism; Stakeholder analysis matrix; Stakeholder management practices in Nepal.

Unit 4: Business Ethics**6 LHs**

Concept of business ethics; Elements of ethics; Common ethical problems in business; Causes of ethical problems; Ethics of business professionals; Codes of ethics; Methods of making ethics work in organizations; Principle-based international standards; Ethics-related training and awareness building programs; Ethical audits; Whistle blowing; Impact of business ethics on business and society; Ethical business practices and issues in Nepal.

Unit 5: Corporate Social Responsibility**9 LHs**

Concept of CSR; Relevance and importance of social responsibility of business; Basic elements of CSR; Drivers of CSR; Social responsibility theory; CSR framework and strategy; CSR and ecological environment; Social reporting and auditing: concept and techniques; CSR implementation; Corporate citizenship: concept and features; Management and status of CSR in Nepal; Role of government in promoting CSR in Nepal; Legal provisions governing CSR in Nepal.

Unit 6: Corporate Governance**8 LHs**

Concept of good governance; Features and relevance of good governance; Corporate governance theories, models and mechanisms; Emerging issues in corporate governance; Corporate scandals; Corporate governance system and policies in Nepalese organizations; Supportive environment to corporate governance.

Basic Books

Carroll, A. B., & Buchholts, A. K. *Business and Society: Ethics, Sustainability and Stakeholder Management*. Boston: Cengage Learning.

Steiner, J. F., & Steiner, G. A. *Business, Government and Society: A Managerial Perspective*. New Delhi: Tata McGraw Hill.

References

Mallin, C. A. *Corporate Governance*. Oxford: Oxford University Press

Chapagain, B. R. *Business and Society*. Kathmandu: Asmita Publications.

Chatterji, M. *Corporate Social Responsibility*. Oxford: Oxford University Press.

Fernando, A. C. *Business Ethics: An Indian Perspective*. Delhi: Pearson Education.

MGT 224: Entrepreneurship and Small Business Management

Credit: 3
Lecture Hours: 48

Course Objectives

The aim of this course is to develop understanding of the significance of entrepreneurship and small business management among students and provide them entrepreneurial and managerial skills required specifically to the management of small business. The course will enable students to identify potential business opportunities and prepare strategic business plan, marketing plan, financial plan and seek institutional support from agencies dedicated in promoting small businesses.

Course Description

Entrepreneurship converts ideas into actions valuable to the entrepreneur and the society at large. It has immense potential but also involves risk. Systematic approaches must be followed to avoid the risk and reap potentials. This course has been designed to develop systematic approach for identifying business possibilities and converting them into business realities. The course begins with an introduction to entrepreneurship and highlights the significance of creativity and innovation in business development. Then it provides materials for skills development required for conducting feasibility studies, preparing plans and developing strategies in different functional areas of small businesses. Finally, it also enables students to explore potential institutional support for the promotion and development of small businesses in Nepal.

Course Learning Outcomes

On completion of this course the students will be able to:

- Understand the concept and benefits of entrepreneurship and avoid its pitfalls;
- Develop creative and innovative ideas for small business promotion;
- Conduct feasibility studies of small business and develop testable business models;
- Prepare viable business plan by following strategic management process;
- Conduct market research, identify the target market and develop marketing plan;
- Develop pricing and credit strategies suitable for the identified business;
- Formulate financial plan for the business;
- Seek institutional support from relevant agencies dedicated to the development of small businesses.

Course Details

Unit 1: The Foundations of Entrepreneurship

5 LHs

Concept of entrepreneurship; The benefits of entrepreneurship; Potential drawbacks of entrepreneurship; Avoiding the pitfalls.

Unit 2: Ideas to Reality

5 LHs

Creativity, innovation and entrepreneurship; Creativity: meaning, creative thinking, barriers to creativity, enhancing creativity, the creative process, techniques for improving the creative process.

Unit 3: Feasibility Analysis and Business Model

10 LHs

Idea assessment; Feasibility analysis; Industry and market feasibility; Porter's five forces model; Product or service feasibility analysis; Financial feasibility analysis; Entrepreneur feasibility; Developing and testing a business model.

Unit 4: Business Plan and Strategic Plan**8 LHs**

Benefits of business plan; The elements of business plan; Preparing business plan; Selling the business plan; Building a strategic plan; Building a competitive advantage; The strategic management process.

Unit 5: Marketing Plan**6 LHs**

Building a marketing plan; Identifying the target market; Conducting market research; Developing marketing strategy.

Unit 6: Pricing and Credit Strategies**4 LHs**

Image, competition and value in pricing; Pricing strategies and tactics: new product, established goods and services; Pricing strategies and methods for retailers; Pricing concepts for manufacturers; Pricing strategies and methods of service firms; The impact of credit on pricing.

Unit 7: Financial Plan**6 LHs**

Creating and interpreting projected financial statements; break-even analysis; Preparing cash budget; Avoiding the cash crunch; Choosing the right source.

Unit 8: Institutional Support to Small Business Development**4 LHs**

Role of government (federal, state and local) in promoting small businesses in Nepal; Incentive, subsidies and grants to small businesses in Nepal; Role of financial institutions in small business development in Nepal; Entrepreneurship/small business development projects in Nepal.

References

Scarborough, N. M. & Cornwall, J. R., *Essentials of Entrepreneurship and Small Business Management*. Boston: Pearson.

Dollinger, M. J. *Entrepreneurship: Strategies and Resources*. New Delhi: Pearson Education.

Hisrich, R. D., Peter, M. P. & Shepherd, D.A. *Entrepreneurship*. New Delhi: Tata McGraw Hill.

Khanka, S.S. *Entrepreneurship Development*. New Delhi: S. Chand & Co.

Publications of Nepalese institutions involved in entrepreneurship development in Nepal

Sixth Semester Syllabus

S. No.	Course Code	Course Name	Credits	Remarks
1		Marketing of Financial Services	3	
2		Taxation and Auditing	3	
3		Municipal Finance	3	
4		Fundamentals of Financial Derivatives	3	
5		Project Work	3	
Total			15 Credits	

FIN 207: Marketing of Financial Services

Credit: 3
Lecture Hours: 48

Course Objective

This course aims to develop student's insights into the specific nature and problems of marketing of financial services. The course is specifically targeted to inculcate skills for developing strategic considerations for marketing of financial services.

Course Description

This course has been designed to meet the challenges of the competitiveness in the financial service market in Nepal. It focuses on the specific needs of the BBA-Finance students who not only have to learn the management of the financial functions but also handle the marketing of the services. The course includes specific issues related with service marketing and strategic issues related to marketing of financial services in general. It provides an understanding of the unique nature of service products and strategies to deal with them; service marketing issues; an analysis of the national financial service marketing environment; financial service customers' characteristics and buying process; segmentation and positioning of financial services; managing the 7ps of financial services.

Course Learning Outcomes

On completion of this course the students will be able to:

- Demonstrate an understanding of the basic nature of service products and strategic considerations for dealing with the unique nature of service product;
- Describe the key considerations for marketing of service products;
- Understand the micro and macro environmental variables for the financial market in Nepal;
- Demonstrate an understanding of the global financial trends and emerging financial services sectors in Nepal.
- Describe the nature and types of financial customers and their buying process;
- Recognize the financial service segmentation and positioning approaches;
- Demonstrate a skill in managing the financial service mix (the 7ps).

Course Details

Unit 1: Introduction

8LHs

Concept and nature of service; Characteristics of service products: intangibility, inseparability, variability, and perishability; Strategic considerations for managing the uniqueness of the service products; Meaning and nature of service marketing; Driving forces for growth in service marketing; Service marketing triangle, and Service profit chain; Introduction to the service marketing mix (7Ps).

Unit 2: Marketing Environment for Financial Services

8LHs

Micro environment for financial services: the financial service market in Nepal, Nepalese service customers, competition in service institutions, NRB as the regulator; Macro environment and its effects: the Nepalese economic trends, demographic trends, effects of law and politics, socio-cultural dynamism in Nepal, technological innovations in financial service marketing (online banking, e-wallets, scan and pay etc.); The key driving forces of the Nepalese financial service market; Emerging financial services in Nepal; Global trends in financial services.

Unit 3: The Financial Customer and Relationship Marketing**8 LHs**

Types of financial customers: individual and institutional customers; Buying process of institutional and individual customers; Factors affecting choice of financial services by individual and institutional customers; Customer value and satisfaction drivers in Nepalese financial services; Concept and importance of relationship marketing in financial services; Relationship focuses of Nepalese financial service institutions.

Unit 4: Segmentation and Positioning of the Financial Services**8LHs**

Financial service market segmentation practices; Segmentation of the individual consumer financial service market; Segmentation of the institutional customer financial service market; Concept and importance of target marketing and positioning in financial service marketing; Identifying positioning opportunities in financial services in Nepal.

Unit 5: Management of the Financial Service Marketing Mix**16LHs**

Product - Types of financial service products; Product life cycle of financial service products; Branding of financial service products; New financial product innovations and copying behavior by service organizations; Pricing - Challenges for pricing of financial services; Pricing of financial service offers (independent and control factors); Price discriminations; New financial service pricing options; Place or Distribution- Channels in financial service marketing; Branch location strategies; Alternative financial service channels: internet and mobile based channels; Role of agents in Nepalese financial service marketing; Promotion- The Above-the-line, below-the-line, and through-the-line promotion channels; Financial service promotions in the rural markets; Communication messages and advertising appeals used in promotion of financial services in Nepal; People- Role of employees in marketing of financial services; Recruitment, training, placement, motivation, and career development opportunities for employees in Nepalese financial institutions; Process- The process as a differentiation factor in Nepalese financial institutions; The financial service processing for a customer before, during, and after the sale of financial service in Nepal; Physical Evidence - Role of physical evidence in marketing of financial services; Servicescape focus of Nepalese financial service providers; Brand communication through the physical evidence.

Basic Book

Pezzullo, M. A. *Marketing Financial Services*. New York: Macmillan.

References

Bapat, D. *Marketing of Financial Services*. New Delhi: Willey India

Ehrlich, E., & Fanelli, D. *The Financial Services Marketing Hand Book, Tactics and Techniques that Produce Results*. Princeton: Bloomberg Press

Ennew, C., & Waite, N. *Financial Services Marketing: An International Guide to Principles and Practice*. Burlington, MA: Elsevier

Nagdeman, J. *Financial Services Marketing*. New Jersey: John Wiley & Sons

Koirala, K. D. *Fundamentals of Services Marketing*. Kathmandu: M. K. Publishers.

ACC 204: Taxation and Auditing

Credit: 3
Lecture Hours: 48

Course Objective

The objective of this course is to provide students with the knowledge of general principles and practices of tax law in Nepal and develop in them the basic skills required to solve practical problems regarding Income Tax and VAT. The course further aims to provide student with the basic knowledge, concepts, objectives, importance and procedure of auditing, thereby enabling them to handle internal audit of concerned organizations.

Course Description

This course “Taxation and Auditing” is designed to understand and apply the knowledge of taxation and auditing in the process of business administration. It contains two parts: taxation and auditing. In taxation students will be familiar with the subject matters such as conceptual foundation, taxation of income in Nepal, definition of basic terms under income tax act, tax accounting and timing, quantification, allocation and characterization of amounts, capital and revenue, classification and status of assessee (tax payers), heads and sources of income, computation of taxable income and tax liability from employment, business and investment, tax administration and official documentations, penal provision, and value added tax (VAT). In auditing, students will be familiar with the topics such as conceptual foundation, planning of an audit, internal check and control, vouching, verification and valuation, audit report and auditing standard.

Course Learning Outcomes

On completion of this course the students will be able to:

- Understand the fundamental concept of taxation and auditing;
- Calculate taxable income and tax liability from different heads of income (employment, business and investment);
- Submit VAT return for taxable goods and services under value added tax;
- Maintain complete tax related documentations as per tax regulations and follow the directives of tax administration;
- Understand the significance of auditing in an organization;
- Prepare and execute audit plan;
- Conduct audit and prepare audit report as per auditing standard.

Course Details

Unit 1: Introduction to Taxation

2LHs

Meaning and objectives of tax; Classification of taxes; Canons of taxation.

Unit 2: Taxation of Income in Nepal

6LHs

Historical background of evolution of income tax in Nepal; Features of Income Tax Act, 2058; Definition of basic terms under Income Tax Act; Tax accounting and timing: accounting based on cash, accounting on accrual basis, quantification, allocation and characterization of amounts; Capital and revenue: capital and revenue receipts, capital and revenue expenditure, capital and revenue losses; Classification and status of assessee (Taxpayers): natural person and entity, resident and non-resident, single and couple; Heads and sources of income: concepts, classification: income from employment, income from business, income from investment, casual gain, sources of incomes: domestic and foreign.

Unit 3: Tax Exemptions, Concessions, Tax Rates and Withholding Payments 5 LHs

Common deductions on taxable income: contribution to retirement fund, contribution made to philanthropic purpose (donation/gift); Expenses not allowed for deduction, tax rates, rebates and concessions to an individual and entity; Special provision for natural person, entities and retirement savings, provisions for losses.

Unit 4: Computation of Taxable Income and Tax Liability from Employment 6 LHs

Income included under the head of employment; Non taxable/non chargeable income; Valuation of perquisites; Allowable reduction; Assessable income; Taxable income; Tax liabilities and payable.

Unit 5: Computation of Taxable Income and Tax Liability from Business 10 LHs

Income included under head of business; Admissible expenses: general deduction, interest, cost of trading stock, repair and improvement cost, depreciation, pollution control cost, research and development cost, previous losses, bad debts and other expenses; Assessable income, taxable income and tax liabilities: professional business, sole proprietorship business, private and public companies, trading, manufacturing and services business.

Unit 6: Computation of Taxable Income and Tax Liability from Investment 3LHs

Income included under head of investment; Income from the disposal of non-business chargeable assets; Admissible expenses, assessable income and taxable income and tax liabilities; Taxation on Capital Gain: tax on gain on sale of shares and non business land and building; Computation of Total Taxable Income (in case of more than one source of income); Tax Liability.

Unit 7: Tax Administration and Official Documentations 3 LHs

Tax authorities and their powers, rights and duties; Rights and duties of a taxpayer; Documentation, record keeping and information collection; Income return and tax assessment; Payment, collection (recovery/realization), remission, refund and set-off; Penal Provision; Provision of fees and interest; Provision of penalties for offences; Administrative review and appeal.

Unit 8: Value Added Tax 3LHs

Concept of value added tax (VAT); Origin and evolution of VAT; Principle governing VAT; Types of VAT; Method of computing VAT; Method of collection/realization and refund of VAT; Penalties and appeal; Permanent Account Number and VAT number; Abbreviated invoice and VAT invoice.

Unit 9: Introduction to Auditing 2LHs

Meaning, scope, objectives and advantages of audit; Evolution of auditing practices in Nepal; Accounting, auditing and investigation; Types of errors and frauds; Detection and prevention of errors and frauds with practical dealings; Types of auditing; Qualities, qualification, appointment and rights and duties of an auditor

Unit 10: Audit Functions 6 LHs

Planning an audit - preparation before an audit: instruction to client, distribution of work to audit staff; Audit programme: contents, techniques and preparation of audit programme; Audit note books: objectives, contents; Audit working papers: concept, objectives and advantages; Internal check: concept, objectives, characteristics, advantages and disadvantages; Internal control: concept and characteristics; Internal audit: concept and importance of internal audit, role of internal auditor; Statutory audit:

concept, importance and objectives; Difference between vouching, verification and valuation; Consideration before vouching.

Unit 11: Audit Report and Auditing Standard

2LHs

Concept, contents and types of audit report; Concept, objectives and importance of auditing standard.

Basic Books:

Dhakal, K.D., Pandey, B., Bhattarai, R., Bhattarai, I & Koirala, GP. *Fundamentals of Taxation and Auditing*, Kathmandu: Asmita Books Publishers and Distributors
Ramaswamy, M.S. *Auditing*. New Delhi: S. Chand and Co.

References:

Government of Nepal. *Income Tax Act, 2058* with amendment.
Government of Nepal. *Income Tax Rules, 2059* with amendments.
Government of Nepal. *Value Added Tax Act, 2052* with amendments.
Government of Nepal. *Value Added Tax Rules, 2053* with amendments.
Government of Nepal. *Auditing Act, 2048* with amendments.
Government of Nepal, *Finance Act*.
Auditing Standards Board of Nepal. *Nepal Standard on Auditing*.
Lekhi, R.K. *Public Finance*, New Delhi: Kalyani Publishers
Saxena, R.G. *Principles of Auditing*. Mumbai: Himalayan Publishing House, Bombay.
Dhakal, K.D., Bhattarai, R., Bhattarai, I & Koirala, GP. *Corporate Taxation in Nepal*.
Kathmandu: Asmita Books Publishers and Distributors
Sundaram, K.P.M. and Andley, K.K. *Public Finance: Theory and Practice*. New Delhi: S. Chand & Co.
Dhakal, K.D., Bhattarai, I. and Koirala, G.P. *The Principles and Practice of Auditing*.
Kathmandu: Asmita Books Publishers and Distributors
Tandon, B. N. *Practical Auditing*. New Delhi: S. Chand and Co.
Pandey, D.L. *Auditing*. Kathmandu: Asia Books Distributors Pvt. Ltd.

FIN 208: Municipal Finance

Credit: 3
Lecture Hours: 48

Course Objectives

The course aims to provide the students the fundamental understanding on the municipal finance in general and in specifically this course provides them theoretical knowledge on sources of revenue, transfer income, budgeting process and financial analysis and financial autonomy. The course also aims to familiarize students with current issues on local government finance in Nepal.

Course Description

This course provides the fundamentals of municipal finance with a special emphasis on relevancy of municipal financial management, trend in municipal finance, principles of municipal finance, municipal revenue, intergovernmental transfer, financing capital expenditure, municipal budgeting, reporting and auditing, municipal borrowing and access to capital market.

Course Learning Outcomes

On completion of this course the students will be able to:

- Find out the trend in municipal finance and understand the role of finance division in the organization of municipality of Nepal;
- Discuss the role and functions of local government in the economic development at local level;
- Discuss the internal and external sources of municipal revenue and analyze the structure of different sources of municipal revenue;
- Understand the inter-government transfer and issue of inter-government transfer of funds;
- Discuss about the capital expenditure financing modality of municipalities and practices of Nepalese local government in financing the capital expenditure;
- Describe the budgeting process of municipalities and financial reporting and internal auditing system of local government;
- Discuss the different types of municipal debt instrument and understand the role of TDF in financing urban infrastructure.

Course Details

Unit 1: Introduction

5LHs

Concept and meaning of municipal finance; Relevancy of municipal financial management in Nepalese context; Issues and challenges; Trend in municipal finance: fiscal decentralization, emphasis on land property tax, public-private partnership, accountability in budgeting, improved financial management; Organization and place of finance division in the organization of municipality in Nepal.

Unit 2: Principles of Municipal Finance

5LHs

Role of local government in the economy; Types of local government in Nepal; Major functions of local governments (rural municipalities and municipalities); The benefit model of local government: service with private good characteristics, service with public good characteristics, services that redistribute income and services with spillovers; Public finance principles.

Unit 3: Municipal Revenue

12 LHs

Types of municipal revenues: tax and non-tax revenue; Characteristics of a good local tax; Property taxes: unique characteristic of property taxes, mechanics of property taxes, property identification, assessment base, tax rates, tax collection and short coming of

property taxes; Property taxes in Nepal: base and evaluation of property and calculation of property taxes; Personal income taxes; Corporate income taxes; Payroll taxes; General consumption taxes; Excise taxes; vehicle taxes, Hotel occupancy taxes; Benefit taxes; User fees: types of users fees, principles of pricing the user fees and problems in pricing the municipal services; Taxes and user fees of local government of Nepal: a case of rural municipality and municipality.

Unit 4: Intergovernmental Transfer

5LHs

Concept and meaning of intergovernmental transfer; Types of intergovernmental transfer; Rationale for transfer: vertical fiscal imbalance, horizontal imbalance, externalities and political rationales; Problems with transfers; Design of transfer; Intergovernmental transfer in Nepal.

Unit 5: Financing Capital Expenditure

6LHs

Concept of capital expenditure in municipal finance; Financing of capital expenditures: funds from operating revenue, intergovernmental transfer, mobilizing private capital, municipal borrowing, development charge, tax increment financing, and land value capture tax; Public private partnerships: concept, modalities of public private partnership, local government acts and regulation of public private partnership, and practice of public private partnership in Nepalese municipalities; Practice of capital financing in Nepal.

Unit 6: Municipal Budgeting, Financial Reporting and Auditing

10LHs

Concept of municipal budget and budgeting; Types of municipal budgets: operating budget and capital budget; Steps in capital budgeting; Stages of municipal budgetary process; Financial reporting and reporting standard; Performance based financial analysis (comparison between budgeted and actual one) and measurement of financial autonomy; Internal and final auditing; Public auditing system.

Unit 7: Municipal Borrowing and Access to Capital Market

5LHs

Role of municipal borrowing; Pooling municipal debt; Borrowing instruments: general obligation bonds and revenue bonds; Borrowing capacity of municipalities; Role of Town Development Funds as a financial intermediary.

Basic Book

UN Habitat. *Guide to Municipal Finance*. Nairobi: UN Habitat.

References

Farvacque-Vitkovic, C. & Kopanyi, M (editors). *Municipal Finances: Handbook for Local Governments*. Washington: World Bank.

Town Development Funds. *Municipal Finance Framework for the National Urban Development (NUDS) of Nepal*. Kathmandu: TDF.

Town Development Funds. *Enhancing Municipal Finance in Nepal*. Kathmandu: TDF.

European Union. *Local Finance Benchmarking: A Shared Tool for Improved Financial Management*. Stengourge: Council of Europe.

FIN 209: Fundamentals of Financial Derivatives

Credit: 3
Lecture Hours: 48

Course Objectives

The objective of this course is to develop an understanding of basic concepts and terminologies used in financial and derivative market and enable students to understand various types of financial derivative instruments traded in the global financial market. Students will also acquire skills for calculating the price of options, futures and swap contracts. Students will also be familiar with the mechanism of trading of derivative securities in OTC and exchanges. They will also be able to identify the interest rate risk, portfolio risk and commodity price risk and use derivative securities in mitigating these risks.

Course Description

This course is designed to aid students in developing an understanding of the major principles, techniques and functions of derivative markets and their respective instruments. The course introduces students with the basic concepts and terminologies used in financial and derivative markets. Students will also learn the structure, pricing and valuation of option, forward, futures and swap. The course will also deal with the analyses of different risks and use of derivatives to hedge and mitigate these risks.

Course Learning Outcomes

On completion of this course the students will be able to:

- Develop an understanding of basic concepts and terminologies used in financial and derivative market;
- Define various types of financial derivative instruments traded in the global financial market and examine how spot and derivative markets are linked;
- Calculate the price of options, futures and swap contracts and make investment decision;
- Discuss the mechanism of trading of futures and option exchanges;
- Compare the advantages and disadvantages of exchange-traded derivatives and Over-The-Counter (OTC) traded derivatives;
- Identify the interest rate risk, portfolio risk and commodity price risk and apply option, futures, forward and swap in managing these.

Course Details

Unit 1: Introduction

5LHs

Derivative instruments and markets; Types of derivatives; The underlying assets; Important concepts in financial and derivative markets; Role of derivative market; Criticisms of derivative markets; Career opportunities in derivatives markets.

Unit 2: Structure of Derivative Market

6 LHs

Origin and development of derivative market in world and in Nepal; Exchange listed derivative trading: standardization of contract; Mechanism of trading: physical versus electronic trading; Order matching process; Opening and closing of order; Expiration and exercise procedure; Clearing and settlement; Over-the-counter derivative trading; Market participants; Transaction costs.

Unit 3: Option Payoffs and Valuation

8LHs

Types of option; Option styles; Option payoff and profit diagrams; Concept of option

pricing; Option pricing models: Cox, Ross and Rubinstein (binomial) model – one-period model valuation of call and put, hedge portfolio and arbitrage; Two-period valuation of European call and put; Black-Scholes-Merton (BSM) model of option valuation; Variables in BSM model.

Unit 4: Forward and Futures

9 LHs

Concept of price and value; Cost of carry model of forward/futures pricing; Value of forward contracts; Futures on stock indices; Valuation of futures contract; Carry arbitrage; Pricing and valuation of option on futures; Hedging using futures: why hedge, long and short hedge, the basis and convergence of futures to spot some risk of hedging, margin requirement and marking-to-market.

Unit 5: Swap Market

8 LHs

Structure of swap market; Interest rate swap: structure, pricing, valuation and application; Currency swap: structure, pricing, valuation and application; Equity swap: structure, pricing, valuation and application.

Unit 6: Interest Rate Forward and Option

6 LHs

Forward rate agreement (FRA): structure, pricing, valuation and application; Interest rate option: structure, pricing and valuation; Interest rate caps and floors; Interest rate swaptions: structure, pricing and application; Forward swap: structure and application.

Unit 7: Derivative Markets and its Regulation in Nepal

6 LHs

Development of derivative markets in Nepal; Economic perspective of derivative markets; Instruments traded in futures exchanges; Trading mechanism and procedure; Major provisions of Commodity Exchange Act 2018, and Commodity Exchange Regulation 2018; Use of derivatives by commercial banks in Nepal.

Basic Book

Chance, D. M., Brook R., & Dhamija S. *An Introduction to Derivatives and Risk Management*. New Delhi: Cengage Learning.

References

Hull, J. C. & Basu, S. *Options, Futures, and Other Derivatives*. New Delhi: Pearson India.

Johnson, R. S. *Derivative Market and Analysis*. New Jersey: John Wiley & Sons

Kolb, R. W. & Verdahl, J. A. *Financial Derivatives: Pricing and Risk Management*. New Jersey: John Wiley & Sons.

Parasuraman, N. R. *Fundamentals of Financial Derivatives*. New Delhi: Wiley India.

Taylor, F. *Mastering Derivatives Markets: A Step-by-Step Guide to the Products, Applications and Risks*. New Delhi: Pearson India.

Seventh Semester Syllabus

S.No.	Course Code	Course Name	Credits	Remarks
1		Business Strategy	3	
2		Concentration I	3	
3		Concentration II	3	
4		Elective I	3	
5		Internship	3	
Total			15 Credits	

FIN 210: Financial Management of SMEs and Social Enterprises

Credit: 3

Lecture Hours: 48

Course Objectives

The purpose of this course is to provide the students the understanding of the small and medium enterprise and social enterprise financing. The course also aims at providing necessary skill to students to analyze SME projects and make necessary arrangement of financial resources for SMEs and social enterprises.

Course Description

This course provides the fundamentals of small and medium enterprise and social enterprise finance. It begins with introduction of SMEs and social enterprises. It covers SME project idea generation, market and technical analysis, financial estimates and projections of SMEs, project risk analysis, managing current assets, financing SMEs. It also covers financial management of social enterprises.

Course Learning Outcomes

On completion of this course the students will be able to:

- Explain how financial management in SMEs differs from financial management in a corporation;
- Explain the financial managers' responsibilities in SMEs;
- Analyze market, demand and technical aspect of SME project ideas;
- Estimate cash flows of investment decision and evaluate investment decision;
- Analyze project risk;
- Manage current assets of a firm;
- Identify and evaluate sources of SME financing;
- Apply the principles and tools of financial management in social enterprises.

Course Details

Unit 1: Introduction

4LHs

Overview of financial management; Characteristics of SMEs; Comparison of financial management in SMEs and corporation; Financial managers' responsibilities in SMEs; Concept and characteristic of social enterprises; Objectives of social enterprises.

Unit 2: Generation and Screening of SME Project Ideas

4LHs

Generation of ideas; Monitoring the environment; Corporate appraisal; Identifying investment opportunities; Scouting for project ideas; Preliminary screening.

Unit 3: Market, Demand and Technical Analysis

6LHs

Importance of market and demand analysis, collection of secondary data/information, analysis of market survey, demand forecasting, uncertainties in demand forecasting; Importance of technical analysis, Technical arrangement, components of technical analysis.

Unit 4: Financial Estimates, Projections and Investment Decision

8LHs

Cost of project; Estimates of sales and production; Cost of production; Working capital requirement; Elements of cash flow, Basic principles of cash flow estimation; Estimation of cash flows; Cost of capital; Investment decision criteria: payback period, discounted payback period, net present value and internal rate of return.

Unit 5: Risk Analysis of SMEs

5LHs

Sources, measure and perspective on risk; Using break-even analysis for risk assessment;

Sensitivity analysis; Scenario analysis; Managing risk.

Unit 6: Managing Current Assets in SMEs

10LHs

Cash management: Significance of cash management; Increasing the efficiency of cash management; Cash budget. **Receivable management:** Significance of receivable management; Costs of maintaining receivables; Analyzing the changes in the credit policy variables. **Inventory management:** Components of inventory; Significance of inventory management; Inventory costs; Determining optimal level of inventory; Inventory control system: ABC system; JIT system.

Unit 7: Financing of SMEs

6LHs

Financial structure of SMEs; Short-term sources of financing: accruals, trade credit, short-term bank loans; Long-term sources of financing: debt and equity financing; Pros and cons of debt and equity financing from SMEs perspective.

Unit 8: Financial Management in Social Enterprises

5LHs

Finance functions in social enterprises; Investment opportunities and social welfare; Financing social enterprises; New approaches and innovations in financing: loan guarantee, quasi-equity debt, pooling, social impact bond.

Basic Books

- Chandra, P. *Projects: Planning, Analysis, Selection, Financing, Implementation, and Review*. New Delhi: McGraw Hill Education.
- Kaili, E., Psarraikis, D., & Hoinaru, R. V. *New Models of Financing and Financial Reporting for European SMEs- A practitioner's View*. Cham: Palgrave Macmillan.

References

- Van Horne, J.C., Wachowicz, JR., & Bhaduri, S. N. *Fundamentals of Financial Management*. New Delhi: Prentice Hall India Ltd.
- Etichart, N., & Comilli, L. *Social Enterprise in Emerging Market Countries*. New York: Palgrave Macmillan.
- Bugg-Levine, A, Kogut, B., & Kulatilaka, N. *A New Approach to Funding Social Enterprises* (Harvard Business Review, Jan -Feb. 2012).

BNK 208: Fundamentals of Banking

Credit: 3
Lecture Hours: 48

Course Objectives

The objective of the course is to develop an understanding among students the structure of banking system, banking products and services and banking regulations. The emphasis of the course is on equipping students with knowledge on banking products and services, use and effect of technology in banking, major banking regulations and emerging trends in banking services required to work as mid-level manpower in banking institutions within and outside the country.

Course Description

Students will gain an understanding of financial and banking system, legal procedures for the incorporation and regulatory framework for the operation of the banks in Nepal. Topics included in this course are; concept of financial and banking system of the country, central banking system, banking products and services, general legal procedures for establishing and operating a bank, capital structure of a bank, role of technology and emerging trends in banking services.

Course Learning Outcomes

On completion of this course the students will be able to:

- Become aware on financial and banking system of the country including central banking system and commercial banking system;
- Explain the different products and services that banks offer to their clients;
- Understand general legal procedures for the incorporation and operation of banks;
- Define bank capital and its components;
- Recognize trends and contemporary issues in banking services;
- Explain the use and effect of technology in designing and delivering banking products and services.

Course Details

Unit 1: An Overview of Financial and Banking System

5LHs

Meaning and importance of financial system; Major components of financial system; An overview of Nepalese financial system; Development of banking; Roles of banks in economy; Types and functions of banks; An overview of Nepalese banking system.

Unit 2: Central Banking System

6LHs

Roles and functions of central bank; Monetary policy and its implications in banking system; Open market operation: repo, reverse repo, outright sale and purchase; Statutory reserve requirements: cash reserve ratio, statutory liquidity ratio; Concept of credit creation and credit control; Inspection, supervision and regulation of BFIs; Roles of Nepal Rastra Bank.

Unit 3: Banking Products and Services

6LHs

Deposit products: current deposit account, savings deposit account, fixed deposit account, call deposit account, margin account; Payment and collection of cheques; Types of cheques; Reasons for dishonor of a cheque; Clearing system; Bank loans; Types of bank loans, Major lending principles; Lending process: credit marketing, assessment, administration, recovery; Primary and secondary collateral securities; Performing and non-performing loans; Banking services: remittances, utility services, agency services and e-banking services.

Unit 4: Incorporation and Consolidation of Banks and Financial Institutions **7LHs**
Registration of banks and financial institutions (BFIs) as a public limited company; Process and documents required for the registration of BFI; Reasons for the denial of registration; Concept of Merger and Acquisitions (M&As); Motive and importance of merger and acquisitions; Status and challenges of bank mergers and acquisition in Nepal; Bank liquidation and its consequences.

Unit 5: Major Banking Regulations **7LHs**
Importance of bank regulation; Major provisions of Banks and Financial Institutions Act, 2073: preamble of the act, constitution, rights, duties and qualifications of Board of Directors, qualification and responsibilities of CEO; Nepal Rastra Bank Act, 2058: preamble of the act, constitution, duties and rights of Directors, rights and duties of Governor, NRB directives and their implications for BFIs; Purpose and implications of Anti Money Laundering Act; Banking Offence and Punishment Act, 2064: nature of offences and punishment.

Unit 6: Bank Capital **6LHs**
Types and importance of bank capital; Capital Adequacy Framework; BASEL Core Principles (I, II and III); Internal Capital Adequacy Assessment Process (ICAAP).

Unit 7: Technology in Banking **5 LHs**
Impact of technology in banking and service delivery; Technology related banking services in Nepal; Status and challenges of technology in Nepalese banking sector; Nepal Rastra Bank guidelines towards technology in banking sector; Cyber security in banking.

Unit 8: Emerging Trends in Banking Services **6LHs**
Emerging in banking services; Internet Banking; Any Branch Banking System; E-banking: branchless banking, mobile wallet, card business, SWIFT, POS; Financial Literacy; Application Supported by Blocked Amount (ASBA); Customer Reference Number; Centralized-Account Supported by Blocked Amount (C-ASBA) & Dematerialization (D-MAT); Bancassurance, e-Commerce and fee based Business.

Basic Book

Rose, P. S. *Bank Management*. New Delhi: Tata McGraw-Hill Education.

References

Rose, P. S., & Hudgins S. C. *Bank Management and Financial Services*. New Delhi: Tata McGraw-Hill Education.

Hubbard, R.G., & O'Brien, A. *Money, Banking and Financial System*. New Delhi: Pearson Publications.

Srivastava, P.K. *Banking Theory & Practice*. New Delhi: Himalayan Publication House.

Koch, T. W. & MacDonald, S. S. *Bank Management*. New Delhi: Cengage Learning.

Nepal Rastra Bank, *Unified Directives of Nepal Rastra Bank*.

Government of Nepal, *Banks and Financial Institutions Act 2073*.

INS 201: Fundamentals of Insurance

Credit: 3
Lecture Hours: 48

Course Objectives

This course aims to provide students with basic understanding of fundamental concepts of risk and principles of insurance. This course will also enable students to understand about the insurance regulation, intermediary functions, general functions of insurers viz. rate making, marketing, underwriting and claim procedure, reinsurance, and investments. Students will understand about product, trend, nature of Nepalese insurance industry.

Course Description

This course deals with fundamentals of insurance. Accordingly, it begins with functions of insurance in the context of risk management. Then it deals with the fundamental principles of insurance along with essentials of insurance contract. The course also deals with insurance operations in the background of insurance regulations. Further, it covers insurance intermediaries and surveyors, and financial statements of the insurers. Finally, it provides an overview of insurance industry in Nepal and opportunities and challenges faced by the industry.

Course Learning Outcomes

On completion of this course the students will be able to:

- Understand about risk and risk management process;
- Acquire knowledge about the characteristics and functions of insurance and its types;
- Understand the principles of insurance;
- Be familiar with the objectives of insurance regulation;
- Explain the operation of insurance companies;
- Acquire knowledge on claim settlement and investment of insurance fund;
- Explain about the functions and licensing of intermediaries and surveyors;
- Prepare and analyze financial statements of insurance companies;
- Understand the trend of insurance market and comment on contemporary issues.

Course Details

Unit 1: Risk Management

6 LHs

Introduction to risk; Types of risk: individual and enterprises, pure and speculative, fundamental and personal; Introduction and objectives of risk management; Risk management matrix; Risk management process; Cost of risk management.

Unit 2: Introduction to Insurance

6 LHs

Meaning and definition of insurance; Characteristics and functions of insurance; Difference between risk and hazards, insurance and gambling, insurance and hedging; Types of Insurance: life, general, reinsurance, social insurance, and micro insurance.

Unit 3: Principles of Insurance and Insurance Contracts

6 LHs

Principles of Insurance: indemnity, insurable interest, utmost good faith, subrogation, proximate cause, mitigation, contribution; Importance of insurance principles in insurance business; Elements of insurance contract; Distinguishing characteristics of insurance contract.

Unit 4: Insurance Regulation

6 LHs

Objectives of insurance regulation; Importance of insurance regulation; Role of International Association of Insurance Regulators (IAIS) in insurance regulation; Role of *Beema Samiti* (Insurance Board of Nepal) in insurance regulation in Nepal; Purpose of Insurance Act, Regulations and Directives.

Unit 5: Insurance Company Operations**6 LHs**

Insurance company operations: rate making of life and non-life insurance, underwriting, production, claims settlement, reinsurance, investment.

Unit 6: Insurance Intermediaries and Surveyors**5 LHs**

Functions of insurance agents, brokers, and third party administrators, and their licensing in Nepal; Functions of surveyors, their categories and licensing in Nepal.

Unit 7: Financial Statements of Insurers**7 LHs**

Understanding of the financial statements of insurers: statement of financial positions, statement of profit or loss, statement of other comprehensive income, statement of cash flow, statement of changes in equity, annexes of life and non-life insurance companies' financial statements; Guidelines of *Beema Samiti* for the preparation of financial statements of insurance companies; Analysis of financial statements.

Unit 8: Insurance Industry in Nepal**6 LHs**

Development and current status of insurance industry in Nepal; Recent trends in insurance market, and opportunities and challenges; Current status of micro insurance, social insurance, health insurance, agriculture insurance; Emerging issues.

Basic Books

Rejda, G. E. *Principles of Risk Management and Insurance*. New Delhi: Pearson Education.

Vaughan, E. J. & Vaughan, T. M. *Fundamentals of Risk and Insurance*. New York: John Wiley & Sons.

References

Mishra, M. N. & Mishra, S. B. *Insurance Principles and Practices*. Delhi: S. Chand & Company Ltd.

Gupta, P. K. *Insurance and Risk Management*. Mumbai: Himalaya Publishing House

Ghimire, R. *Insurance Theory and Practices*. Kathmandu: Buddha Publication

Government of Nepal, Insurance Act, 1992 and Insurance Regulation, 1993.

Directives, guidelines, policies issued by *Beema Samiti* (Insurance Board of Nepal).

Publications of *Beema Samiti*.

FIN 212: Investment Analysis and Portfolio Management

Credit: 3
Lecture Hours: 48

Course Objectives

This course intends to deepen understanding of investment management principles and practices with the aim to develop students' professional efficacy in investment decision making process. The course will help students to demonstrate knowhow in formulating asset allocation strategies, analyzing and pricing securities, and constructing, revising and evaluating portfolios so as to manage investment in financial assets effectively in changing investment environment.

Course Description

This course provides an insight into theories of investment, technicalities of securities analysis, and approaches to portfolio management. The course will begin with review of investment concept and fundamentals of risk and return, and then students will learn to design investment policy statement, and formulate asset allocation strategies. Next focus will be given to expand students' understanding on principles and process of portfolio management, theories of asset pricing, and procedures of securities valuation. The course will further demystify securities analysis and portfolio performance evaluation techniques giving emphasis in developing practical skills to analyze and manage investment portfolio of financial assets.

Course Learning Outcomes

On completion of this course the students will be able to:

- Assess investment risk, and accordingly determine required rate of return of investment alternatives;
- Describe the role of asset allocation in investment planning, and take part in formulating asset allocation strategies;
- Develop investment policy statement considering investment objectives and constraints of investors;
- Apply principles of portfolio management in portfolio construction and analysis;
- Demonstrate competence in pricing assets;
- Demonstrate competence in managing portfolio of fixed income securities;
- Use fundamental and technical analysis techniques to manage investment in equity portfolio;
- Appraise performance of financial assets investment portfolios applying portfolio performance evaluation techniques.

Course Details

Unit 1: Investment Setting

3 LHs

Concept review: investment, investment return and risk; Determinants of required rates of return; Relationship between risk and return.

Unit 2: Asset Allocation Decision

3 LHs

Individual investor life cycle; Portfolio management process; Investment policy statement: need, input, constructing the policy statement; Importance of asset allocation.

Unit 3: Portfolio Theory and Asset Pricing Models

10 LHs

Portfolio theory assumption; Risk and risk aversion; Markowitz portfolio theory; Capital market theory: background and assumptions, developing the capital market line (CML), risk, diversification, and the market portfolio, investing with the CML; Capital asset pricing model (CAPM): conceptual development of the CAPM, security market line, relaxing the assumptions, empirical tests of the CAPM; Multifactor models; Arbitrage pricing theory.

Unit 4: Fundamental Analysis**10 LHs**

Concept; Valuation principles and practices: overview of the valuation process, top-down, three-step valuation approach, theory of valuation, valuation of alternative investments, relative valuation techniques, estimating the inputs; Market analysis: concept, macromarket analysis, microvaluation analysis; Industry analysis: concept and need; Company analysis and stock valuation: company analysis versus stock valuation, economic, industry, and structural links to company analysis, company analysis, estimating intrinsic value, estimating company earnings per share.

Unit 5: Technical Analysis**5 LHs**

Concept; Underlying assumptions; Advantages; Challenges; Technical trading rules and indicators: contrary-opinion rules, follow the smart money, momentum indicators, stock price and volume techniques.

Unit 6: Equity Portfolio Management Strategies**4 LHs**

Passive versus active management; Passive equity portfolio management strategies; Active equity portfolio management strategies; Value versus growth investing; Asset allocation strategies.

Unit 7: Bond Analysis and Portfolio Management Strategies**9 LHs**

Bond valuation review; Calculating future bond prices; Spot rates and forward rates; Bond valuation using spot rates; Determinants of interest rates; Term structure of interest rates; Term structure theories; Determinants of bond price volatility; Passive bond portfolio management strategies; Active bond portfolio management strategies.

Unit 8: Portfolio Performance Evaluation**4 LHs**

Attributes of portfolio managers' performance; Early performance measurement techniques; Composite portfolio performance measures; Application of portfolio performance measures; Evaluation of bond portfolio performance; Reporting investment performance.

Basic Book:

Reilly, F. K., Brown, K. C. & Leeds, S. J. *Investment analysis and Portfolio Management*. Massachusetts: Cengage Learning.

References:

Bodie, Z., Kane, A. & Marcus, A. J. *Investments*. New York: McGraw-Hill Education.

Jones, C. P. & Jensen, G. R. *Investments: Analysis and Management*. New Jersey: John Wiley & Sons.

FIN 213: Corporate Financing Decision

Credit: 3
Lecture Hours: 48

Course Objectives

The purpose of this course is to impart knowledge and analytical skills of corporate finance on raising funds most effectively by business firms. At the completion of this course the students will have a clear understanding of sources of funds used by a corporation, compare cost of different sources short-term fund, analyze the pros and cons of each source of financing, raise capital from the capital market by issuing securities, describe financial distress and distress management techniques.

Course Description

This course begins with a brief overview of corporate finance. It covers different aspects of long-term and short-term financing. It also covers leasing, private equity and venture capital financing and warrants and convertibles. Finally, it covers financial distress issues.

Learning Outcome

On completion of this course the students will be able to:

- Understand the concept, instruments, markets for corporate financing decision;
- Evaluate various source of long-term financing;
- Obtain long-term debt from financial institution;
- Analyze buy-versus-leasing decision;
- Compare cost of different sources of short-term financing;
- Use private equity and venture capital financing;
- Evaluate warrants and convertibles for raising long-term fund;
- Understand the concept and remedies of financial distress.

Course Details

Unit 1: Introduction

5 LHs

Corporate financing decision: instruments, markets, and financial intermediaries; Ethics in financing decisions; Financial innovations and corporate finance; Capital structure and financial structure; Capital structure issues.

Unit 2: Long-term Financing

5 LHs

Features of Bonds, types of bonds, bond innovations, advantages and disadvantages of bond financing; Key characteristics of preferred stock, merits and demerits of preferred stock financing; Common stock financing, evaluation of common stock as a source of long-term financing; Effect of each financing alternative on balance sheet and income statement.

Unit 3: Financing with Term Loan

6 LHs

Key characteristics of term loan, advantages and disadvantages of term loan financing, lenders of term loan, documents required for term loan; Loan amortization schedules: equal installment, equal principal, bullet payment and balloon payment; Provision of moratorium period; Security provisions and protective covenants.

Unit 4: Lease Financing

6 LHs

Lease as a source of financing; Features of a lease contract; Types of leases; Advantages and disadvantages of lease financing; Accounting and tax treatments of leases; Return to the lessor; Analysis of lease versus buy/ borrow decision.

Unit 5: Short-term Financing**8 LHs**

Short-term versus long-term financing; Advantages and disadvantages of short-term financing; Unsecured sources of short-term financing: accruals, trade credit, bank loan, commercial papers; Secured sources of short-term financing: accounts receivable financing (pledging and factoring), inventory financing (floating lien, chattel mortgage, trust receipt loan and warehouse financing); Cost of sources of short-term financing; Factors to be considered while choosing appropriate source of short-term financing.

Unit 6: Private Equity and Venture Capital Financing**5 LHs**

Private equity fund; Founders and angels; Venture capital; Importance of venture capital financing; Stages of venture capital financing.

Unit 7: Warrants and Convertibles**8 LHs**

Use of warrants; Valuation of warrants; Convertible securities; Valuation of convertible securities; Reasons for issuing warrants and convertibles; Effect of bonds/debentures with warrant and convertible financing on balance sheet and income statement; Exchangeable debt.

Unit 8: Financial Distress**5 LHs**

Financial distress; Bankruptcy liquidation; Bankruptcy reorganization; Going private and leveraged buyouts; Leveraged recapitalizations; Distress restructuring; Bankruptcy, liquidation and reorganization in Nepal.

Basic Books

Rose, S. A., Westerfield, R. W., Jaffe, J. & Kakani, R. K. *Corporate Finance*. New Delhi: McGraw-Hill Education.

Van Horne, J. C. & Dhamija, S. *Financial Management and Policy*. New Delhi: Dorling Kindersley.

References

Brigham, E. F. & Ehrhardt, M. C. *Financial management: Theory and Practice*. New Delhi: Cengage Learning India.

Brealey, R., Myers, S. C., Allen, F. & Mohanty, P. *Principles of Corporate Finance*. New Delhi: McGraw-Hill Book Company.

BNK 209: Bank Operation Management

Credit: 3
Lecture Hours: 48

Course Objectives

The course focuses on the operational dimensions of commercial banks and risks involved therein. The main purpose of the course is to develop the understanding in students required for managing operations of the commercial banks. The emphasis is on process and procedures for managing deposits and loan products, treasury, remittance and foreign exchange operations with due consideration to risk mitigation and role of ethics in bank operations.

Course Description

Students will gain understanding for developing, pricing and managing the operations of bank, developing and pricing of deposits and loans, cash operations, types and methods of remittances, foreign currencies and exchange rate determinations, ability to understand and analyze financial statements of the bank. Topics included in the course are: deposits products and their management, lending policies and procedures, treasury, cash, remittance and foreign exchange operations, bank financial statements, major banking risks and ethical considerations in managing banking operations.

Course Learning Outcomes

On completion of this course the students will be able to:

- Understand organizational structure and operational framework of commercial banks;
- Define the concept and procedures for designing and pricing deposit and loan products and other banking services;
- Describe aspects of cash operations including the duties and responsibilities of cashier;
- Explain concept and practices of remittances and foreign exchange transactions;
- Analyze financial statements of the bank using different ratios;
- Recognize and mitigate risks involved in bank operations with adherence to ethical standards.

Course Details

Unit 1: Introduction to Banking

5 LHs

Overview of Nepalese banking system; Organizational structure of a commercial banks; Regulatory framework for bank operations; Statue of commercial banking industry in Nepal; Key competitors of commercial banks in Nepal.

Unit 2: Management of Deposit Services

5LHs

Nature of bank deposits; Types of deposit; Pricing of deposit; Procedure and documents required for account opening; Know Your Customer (KYC); Customer Due Diligence; Client account maintenance; Account closing; Deposit marketing and customer care services; Banking instruments.

Unit 3: Bank Lending: Policies and Procedure

7 LHs

Concept of bank lending; Lending principles and process: credit appraisal, financial analysis of borrowers, approval, documentation and disbursement; Credit monitoring, supervision and recovery; Performing and non-performing loans (NPL); Management of NPL; Methods of creating charges on securities; Multiple banking and consortium financing arrangements; Operations of non fund based services.

Unit 4: Treasury and Cash Operations

3 LHs

Cash management; Security of vault; Cash insurance; Cash counter; Roles and responsibilities of cashier; Clearing system: Electronic clearing, Nepal Clearing House Ltd. (NCHL); Internal and external fund transfer.

Unit 5: Remittance and Foreign Exchange Operations**7 LHs**

Meaning and types of remittances; Parties involved in remittance; Methods of remittance; Foreign exchange operations: concept of foreign exchange, convertible and non-convertible currencies, exchange rate determination, exchange rate regimes, currency pair, base currency and quoting currency, cross rates, basics of forex arithmetic; Nostro and vostro accounts, Foreign Exchange Dealers' Association in Nepal (FEDAN) and its responsibilities.

Unit 6: Bank Financial Statements and Analysis**7 LHs**

Components of bank financial statement: balance sheet, income statements, cash flow statement, BASEL III exposure; Off balance sheet items and transactions; Key financial indicators and ratios; Base rate and cost of funds.

Unit 7: Major Banking Risks and Mitigations**7 LHs**

Concept and nature of banking risks; Types of risk and their implications: credit risk, operational risk, market risk; Risk weight assessment and capital requirements; Risk identification; Measurement and mitigation of credit; Operational and market risk.

Unit 8: Ethical Considerations in Bank Operations**7 LHs**

Concept of ethics and its importance in bank operations; Code of conduct for bank employees; Financial customer protection; Emerging ethical issues in operations of Nepalese commercial banks; Corporate governance; Corporate social responsibility (CSR).

Basic Book:

Rose, P. S. & Hudgins S. C. *Bank Management and Financial Services*. New Delhi: Tata McGraw-Hill Education.

References:

Gup, B. E. & Kolari, J. W. *Commercial Banking*. New Delhi: Willey India

Basel Committee on Banking Supervision, *Basel III: A Global Regulatory Framework for More Resilient Banks and Banking Systems*.

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

Nepal Rastra Bank, *Unified Directives of Nepal Rastra Bank*.

INS 202: Principles and Practice of Life Insurance

Credits: 3
Lecture Hours: 48

Course Objectives

The aim of this course is to provide students broad knowledge on the principles and practices of life insurance. It also aims to provide students required skills useful to apply the principles and practices in managing life insurance business.

Course Description

This course deals with life insurance principles and practices. The course begins with an introduction to life insurance and describes insurance contractual provisions. It provides about fundamental aspects of life insurance policies and annuities. The course also deals with the details of underwriting process and claim settlement process of life insurance enabling students to choose right insurance policy and follow due procedures for claim settlement. Finally, the course deals with group life insurance and provides students skill to analyze the cost and tax implications of insuring oneself.

Course Learning Outcomes

On completion of this course the students will be able to:

- Understand economic value of life, and of premature death to different types of families;
- Analyze insurance options and execute insurance contract;
- Select appropriate life insurance policy
- Identify factors affecting underwriting decisions;
- Follow procedures of claim settlement;
- Understand different aspects of group life insurance;
- Shopping for life insurance considering the cost and tax implication of insurance.

Course Details

Unit 1: Introduction to Life Insurance

6 LHs

Concept and objectives of life insurance; Economic value of life; Needs of life insurance; Impact of premature death to different types of families.

Unit 2: Life Insurance Contractual Provision

7 LHs

Components of life insurance contracts; Additional life insurance benefits; Riders in life insurance; Life insurance options: dividend options, non-forfeiture options, and settlement options.

Unit 3: Life Insurance Policies and Annuities

8 LHs

Feature and importance of different types of life insurance policy: term, endowment, whole life; Other plans: unit linked, pension plans; Concept of annuities: individual annuities, individual retirement accounts; Taxation of individual annuities: income tax and capital gain tax.

Unit 4: Underwriting of Life Insurance

7 LHs

Underwriting: concept, guiding principles and process; Agents' role on underwriting; Responsibility of underwriters; Factors affecting underwriting decisions: mortality, morbidity and other factors; Life insurance proposal form.

Unit 5: Claim Settlement of Life Insurance**6 LHs**

Claim settlement: concept and process; Types of claims: death claim, maturity claim, survival benefits, surrender; Legal provision of claim settlement in Nepal: documentation and process; Role of *Beema Samiti* on settlement of claim disputes.

Unit 6: Group Life Insurance**7 LHs**

Introduction to employee benefits plans; Concept of group insurance; Group life insurance; Group disability income insurance; Marketing group insurance; Alternative for group benefits plan funding.

Unit 7: Buying Life Insurance**7 LHs**

Determining the cost of life insurance; Rate of return on saving components; Taxation of life insurance in Nepal; Shopping for life insurance.

Basic Books

Black, K. Jr., & Skipper, H. D. Jr. *Life and Health Insurance*. New Delhi: Pearson Education.
Rejda, E. G. *Principles of Risk Management and Insurance*. New Delhi: Pearson Education.

References

Mishra, M. N., & Mishra, S. B. *Insurance Principles and Practices*. Delhi: S. Chand & Company.
Mishra, K.C. and C. S. Kumar C. S. *Life Insurance: Principles and Practices*. New Delhi: Cengage Learning.
Ghimire, R. *Insurance Theory and Practices*. Kathmandu: Buddha Publication.
Government of Nepal, Insurance Act, 1992 and Insurance Regulation, 1993.
Solvency Margin Directive for Life Insurers.
Corporate Good Governance Directives.
Investment Directives issued by *Beema Samiti* (Insurance Board of Nepal).
Annual Report and occasional publications of Insurance Board of Nepal.

FIN 214: Securities Trading and Market Mechanism

Credit: 3
Lecture Hours: 48

Course Objectives

This course focuses on fundamentals of securities market microstructure. The objective of the course is to provide an extended insight into structure of securities trading, organization and functioning of securities market infrastructures (SMIs), and regulatory frameworks of securities trading industry. The course will help students to deepen understanding of securities trading mechanism, and to develop skills required to participate efficiently in securities trading activities. In addition, the course will support students to be acquainted with basic knowledge required to research in different facets of market microstructure theory and empirics.

Course Description

Value chain in securities trading industry will be the core component of this course. There will be sufficient emphasis on topics such as securities market structure and design, trading platforms and procedures, pre-trade activities and post-trade processing, role and responsibilities of relevant organizations in trade life cycle, and the legal aspects of securities market. Students will also be introduced to the approaches of securities market performance evaluation.

Course Learning Outcomes

On completion of this course the students will be able to:

- Define the role and responsibilities of the institutions in securities trading industry;
- Explain how securities are traded: securities trade life cycle, and architecture and design of the trading processes and protocols;
- Compare and contrast the major attributes of exchange based, over-the-counter and alternative trading systems;
- Develop an understanding of securities pricing procedures;
- Interpret the role of regulatory framework to facilitate trading and prevent market abuse;
- Demonstrate skills required for efficient participation in securities trading activities;
- Relate the standard practices in securities market with Nepalese context;
- Build a basic foundation to research in market microstructure field of study.

Course Details

Unit 1: Introduction to Securities Trading and Markets

4 LHs

Trades, traders, securities and markets; Securities trading; Bargaining; Auctions; Concept of market microstructure; Trading and the broader economy.

Unit 2: Securities Trading Industry

12 LHs

Traders and motives to trade: utilitarian traders, profit-motivated traders, futile traders; Trade life cycle; Investment banks/merchant banks: concept, roles and responsibilities; Exchanges: concept, features, roles and responsibilities; Brokers: functions of brokerage firm, structure of a brokerage firm, broker profitability, principal-agent problem, brokering ethics; Dealers and market makers: concept, roles and responsibilities; Securities market infrastructures (SMIs) and their roles and responsibilities: central securities depositories (CSDs), securities settlement systems (SSSs), central counterparty clearing (CCPs), trade repositories (TR); Custodians: concept, roles and responsibilities; Credit rating agencies: concept, roles and responsibilities; Regulators and their roles and responsibilities: governmental regulatory agencies, self-regulatory organizations, private regulatory agencies, international regulatory organizations; Securities trading industry in

Nepal.

Unit 3: Market Architecture and Design

12 LHs

Initial public offering: process, pricing; Trading on exchanges; Over-the-counter markets; Alternative trading systems; Crossing networks and upstairs markets; Orders and order properties; Market depth and liquidity; Market structure: trading sessions, execution systems, market information systems, clearing and settlement system; Order-driven markets: oral auctions, rule-based order-matching systems, uniform pricing rule and single price auctions, discriminatory pricing rule and continuous two-sided auctions; Quote-driven markets: dealer quotations, trading with dealers, attracting order flow, dealer quotation decisions, dealer inventories, inventory risk, dealer bid/ask spreads; Price indexes and index fund; Price limits, circuit breakers and trading halts: concept and need; Trading mechanism of fixed-income securities, foreign currencies, and derivative securities; Structure of securities market in Nepal.

Unit 4: Asset Management Industry and Institutional Trading

6 LHs

Structure and evolution of asset management industry; Private management and advisory firms; Investment companies; Specialized investment funds; Institutions and market impact; Best execution, execution costs, and price improvement; Algorithmic trading; Dark pools; Stealth and sunshine trading; High-frequency trading; Flash trading and sponsored access; Institutional trading in Nepal.

Unit 5: Market Abuse

5 LHs

Illegal insider trading; Front running and late trading; Bluffing and market manipulation; Payment for order flow; Fat fingers, hot potatoes, and technical glitches; Rogue trading and rogue traders; Trading and Ponzi schemes.

Unit 6: Regulation of Trading and Securities Market

6 LHs

Regulatory approaches and the regulatory balance; Securities market legislation in Nepal; Deregulation, corporate scandals, and the financial crisis; Impact of regulatory activity; Privatization of regulation and exchange rules; Ethics in securities trading industry.

Unit 7: Securities Market Performance Measures

3 LHs

Liquidity; Efficiency; Price synchronicity; Stability; Access.

Basic Books:

Harris, L. *Trading and Exchanges: Market Microstructure for Practitioners*. New York: Oxford University Press.

Teall, J. L. *Financial Trading and Investing*. London: Academic Press.

References:

Baker, H. K. & Kiyamaz, H. (Eds.). *Market Microstructure in Emerging and Developed Markets: Price Discovery, Information Flows, and Transaction Costs*. New Jersey: John Wiley & Sons, Inc.

Harris, L. *Trading and Electronic Markets: What Investment Professionals Need to Know*. Charlottesville, Virginia: CFA Institute Research Foundation.

Jong, F. D & Rindi, B. *The Microstructure of Financial Markets*. Cambridge: Cambridge University Press.

MGT 225: Business Strategy

Credit: 3
Lecture Hours: 48

Course Objective

This course aims to impart knowledge and understanding to students' on strategic management and its practices enhancing the gauge of knowledge of business mission and visions, business environments, strategic formulations and choice, strategy implementation, evaluation and control to gain competitive advantages of business organizations. It is designed to provide knowledge and skills to students' for business environment analysis and craft appropriate strategy in the competitive world.

Course Description

This course is core in nature which embodies the components such as strategic management, external environment analysis, internal environment analysis, strategic options, strategy evaluation and choice, and strategy implementation and control. These areas facilitate students for acquiring adequate knowledge and skills to startup and manage any business entity in the competitive business world.

Course Learning Outcomes

On completion of this course, the students will be able to:

- Define business strategy and their types;
- Explain the business strategy formulation process;
- Define and design organizational vision, mission, and objectives of different organizations on the basis of nature and scale;
- Conduct environmental scanning based on competition and use in strategic formulation process;
- Identify the competitive advantages of any organization;
- Formulate, analyze and chose the strategies based on suitability, feasibility and acceptability;
- Identify factors affecting strategy implementation in Nepalese financial institution;

Course Details

Unit 1: Introduction

7 LHs

Concept of strategy; Levels of strategy; Meaning of strategic management; Elements of strategic management; Strategic management process; Concept and features of strategic planning; Strategic decision; Importance of strategic management; Strategic management practices in Nepalese financial institutions.

Unit 2: Vision, Mission, Objectives and Strategy

7 LHs

Meaning of vision; Communicating the strategic vision; Crafting a mission statement; Linking vision and mission with company objectives; Objectives and their levels; Crafting good objectives; Linking objectives and strategies; Comparative analysis of vision, mission, objectives of leading Nepalese financial institutions.

Unit 3: Environmental Analysis for Strategic Management

12 LHs

Concept of business environment; Relationship between business environment and strategic management; Types of business environment; Process of external environment analysis: scanning, monitoring forecasting and assessment; Scenario planning; PEST analysis; The competitive environment of industry - Porter's Five Forces Framework, strategic groups analysis; Meaning and types of internal environment; Internal

environment analysis: value chain; The resource-based view: resources types, competencies, core competencies and distinctive capabilities; Analysis of business environment for Nepalese financial institutions.

Unit 4: Strategy Formulation and Choice

14 LHs

Concept of strategy formulation; Different perspectives on strategy formulation; Corporate level strategies; Portfolio analysis - Boston Consulting Group Matrix and The General Electric, McKinsey Matrix; Business level strategy: generic competitive strategies, a resource-based view to strategy formulation; The industry life-cycle; Strategy evaluation; Choice of strategy: suitability, feasibility and acceptability.

Unit 5: Strategy Implementation

8 LHs

Concept of implementation; Basic requirement for strategy implementation; Organizational structures: the entrepreneurial, functional, divisional, matrix and network; Leadership capabilities in strategic implementation; Strategic change; Factors affecting strategy implementations in Nepalese financial institutions.

Basic Book

Pearce, J.A., Robinson, R. B. & Mittal, A. *Strategic Management: Formulation, Implementation and Control*. New Delhi: McGraw Hill.

References

- Hitt M.A., Ireland, R.D. & Hoskisson, R.E. *Strategic Management*. Stamford: Cengage Learning.
- Jauch, L.R. & Glueck, W.F. *Business Policy and Strategic Management*. Delhi: McGraw-Hill.
- Pearce II,
- Johnson, G. & Scholas, K. *Exploring Corporate Strategy*. New Delhi: Prentice Hall of India.
- Kazmi, A. *Business Policy and Strategic Management*. New Delhi: Tata McGraw Hill.
- Thompson, A., Peteraf, M.A., Gamble, J.E., Strickland, A.J. & Jain A.K. *Crafting and Executing Strategy*. Delhi: McGraw-Hill.
- Wheelen, T.L. & Hunger, J.D. *Strategic Management and Business Policy*. New Delhi: Pearson Education.

Eighth Semester Syllabus

S.No.	Course Code	Course Name	Credits	Remarks
1		Concentration III	3	
2		Concentration IV (Research and Seminar)	3	
3		Elective II	3	
4		Elective III	3	
5		Business Ethics and Corporate Governance		
Total			15 Credits	

FIN 216: International Finance

Credit: 3
Lecture Hours: 48

Course Objectives

This course aims to provide students an understanding of financial management in an international setting. The course also enhances the students the skills required to manage the financial risks of firm operating in the international environment.

Course Description

The course deals with how financial management decisions are taken in multinational context. This course covers multinational enterprises and multinational financial management, market for foreign exchange, forward and future exchange markets, balance of payment, and international parity conditions. It also covers management of foreign exchange exposure and risk, international trade instruments and institutions, and different aspects of foreign direct investment.

Learning Outcome

On completion of this course the students will be able to:

- Understand the concept of international finance and explain the reasons for growing multinational corporations and international businesses;
- Explain how the foreign exchange market, and forward and future exchange markets functions;
- Describe the factors affecting the exchange rates and exchange rate system;
- Describe the principles and accounting of the balance of payment with specific reference to the balance of payment of Nepal;
- Understand international arbitrage and interest rate parity theories and their application in the determination of exchange rates;
- Derive and interpret the purchasing power parity;
- Manage foreign exchange exposure and risk;
- Discuss the role of instrument and institutions in international trade;
- Discuss the role of Foreign Direct investment and foreign portfolio management.

Course Details

Unit 1: Multinational Enterprise and Multinational Financial Management 4 LHs

Financial management in a global perspective; Increasing independence in the global economy; Trends in international trade and cross border financial flows; Developments in global financial markets; Challenges of international financial management; Gains from international trade and investment; Difference between multinational and domestic financial management.

Unit 2: The Market for Foreign Exchange 6LHs

Function and structure of the FX market; FX market participants; Correspondent banking relationship; Spot market: spot rate quotations, bid-ask spread, spot FX trading; Foreign exchange rate: direct versus indirect exchange and cross-exchange rate, fixed versus flexible exchange rates.

Unit 3: Forward and Future Exchange Markets 6LHs

Forward and future contracts on foreign exchange market; Forward exchange premium and discount; Forward rates vs. expected future spot rates; Outright forward exchange and swaps; Convention in forward quotations; Currency futures; Future contract versus forward contract and their payoff comparisons; Introduction to currency options and currency option contracts in exchange markets.

Unit 4: Balance of Payments**4 LHs**

Balance of payments (BOP): functions and principles, BOP accounting: the current account, capital account and reserve account, errors & omissions; Relationship between the current, capital and reserve account; Nepal's BOP; Factors affecting international trade flows and its effect on BOP.

Unit 5: International Parity Conditions**6 LHs**

Purchasing Power Parity (PPP) theory; Law of one price; Absolute and relative form of PPP; Departure from PPP; Covered and Open interest parity conditions; The reasons for violation of interest parity conditions.

Unit 6: Management of Foreign Exchange Exposures and Risk**12 LHs**

Foreign exchange exposure and risk; Real and nominal exchange rate; Types of foreign exchange exposure; Transaction Exposure: measurement of transaction exposure, techniques for management of transaction exposure and risk; Operating Exposure: measuring the impact of operating exposure, management of operating exposure; Translation Exposure: overview of translation exposure, managing translation exposure.

Unit 7: International Trade Instruments and Institutions**4 LHs**

International trade; Various forms of financing of imports and exports; Documents used in international trade finance; Letter of credit and its role in financing; Institutions regulating international trade.

Unit 8: Foreign Direct Investment and Foreign Portfolio Investment**6 LHs**

Reasons and benefits of Foreign direct investment (FDI); Risks in foreign investment: political risk, exchange rate risk; Global trends in FDI; FDI in Nepal; Nepal's prospects and problems in tapping FDI; International portfolio investment; Cost and benefit of opening economy for FPI; International correlation structure and risk diversification; Optimal international portfolio selection, effect of changes in exchange rate.

Basic Book

Levi, M. D. *International Finance*. New York: Routledge.

References

Madura, J. *International financial management*. Singapore: Thomson South-Western
Eun C.S. & Resnick B. G. *International Financial Management*. New York: McGraw Hill
Siddaiah, T. *International Financial Management*. Delhi: Pearson

BNK 210: Treasury Management

Credit: 3
Lecture Hours: 48

Course Objective:

The purpose of the course is to develop an understanding in students about treasury concepts and functions of treasury department of commercial banks. The course also aims at giving general ideas of liquidity and profitability trade-off strategy, and clearing, foreign exchange related activities, settlement and treasury system to manage treasury function in a bank.

Course Description

The course focuses on the treasury operations of commercial banks and provides insights into banks' assets and liabilities management. Students will foster ideas regarding concept of treasury management in a commercial bank, asset liability mismatches and their management, liquidity and investment management strategies, reserve requirements such as CRR and SLR, FOREX and Derivatives, risk involved in treasury operations, clearing, settlement and treasury system and ethical practices in treasury management.

Course Learning Outcomes

On completion of this course the students will be able to:

- Understand the concepts of Front Office, Mid Office and Back Office and differentiate the services they provide;
- Identify mismatches between Asset and Liabilities and suggest remedies to such mismatches;
- Understand why banks require to maintain liquidity reserve requirements and fill in the format prescribed by Nepal Rastra Bank;
- Develop skill to implement BASEL Accord related to treasury functions;
- Understand foreign exchange markets, rates and trading; and learn the FOREX calculations;
- Understand the concepts and their significance related to derivatives used in banking;
- Assess and identify the risks in treasury operations;
- Gain knowledge on clearing, settlement and treasury system;
- Understand ethical part of treasury management.

Course Details

Unit 1: Introduction to Treasury Management

5 LHs

Meaning, scope and importance of treasury functions; Governance structure of treasury functions; Structure of treasury department in a commercial bank: front office and its roles, mid office and its roles, back office and its roles; Integrated treasury management: scope, approaches and issues.

Unit 2: Asset Liabilities Management

8 LHs

Asset liabilities management in a bank: objectives and principles, constitution, roles and responsibilities of Asset Liability Committee (ALCO); Interest sensitive assets and interest sensitive liabilities; Maturity mismatches of assets and liabilities; GAP Analysis: duration gap, modified duration gap; Concept of Earning at Risk (EaR) and Value at Risk (VaR).

Unit 3: Liquidity and Investment Management

8 LHs

Concept of bank liquidity; Stock and flow approach; Liquidity requirements and its estimation; Sources of liquidity; Regulatory liquidity requirements and their computation: CRR and SLR, liquidity stress and contingent funding plan; Liquidity requirement under

Basel III; Liquidity coverage ratio (LCR) and Net stable funding ratio (NSFR); Bank investment: objectives and principles, instruments available for investment (short and long term), investment portfolio and its management; Bond mathematics; Yield curve analysis.

Unit 4: Financing for the Bank

5 LHs

Bank capital; Tier 1 capital and Tier 2 capital and their components; Capital adequacy and its role in a bank; Capital requirements under Basel Accord and NRB Directives; Bank deposits: pricing and composition; Other sources: preference shares and debentures and other borrowings.

Unit 5: Foreign Exchange and Derivatives

8 LHs

Concept of foreign exchange; Exchange rate regimes; Determination of exchange rates; Currency pair and cross rates; Net open position and effect of changes in exchange rates; Global forex market and trading on currencies, cash, tom, spot and forward deals; Dealing rooms: structure and operations; Derivatives: concept and their uses in a bank; types of derivatives: currency and commodity derivatives, forwards, futures, options and swaps; Status of derivatives in Nepalese financial market.

Unit 6: Risks in Treasury & Mitigation

4 LHs

AML risks; measurement and management of risks: interest rate risk, foreign exchange risk, liquidity risk, counter party risk, country risk; NRB directives on mitigation of liquidity and foreign exchange risk.

Unit 7: Clearing, Settlement and Treasury System

6 LHs

Clearing and settlement systems: characteristics of clearing and settlement systems, overview of the clearing and settlement process, Fedwire, automated clearing house (ACH) system, clearing house interbank payments system (CHIPS), check clearing, the continuous link settlement (CLS) system; Treasury systems: treasurer's technology needs, treasury management system, SWIFT connectivity.

Unit 8: Ethics in Treasury Management

4 LHs

Ethics and the treasury; Ethical considerations in treasury management: disclosure of conflict of interest, impartiality, misuse of position, title or authority, preservation and confidentiality, professional morality, independence and objectivity.

Basic Book

Bragg, S. M., *Treasury Management*. New Jersey: Wiley & Sons.

References

Rose, P. S. & Hudgins, S. C. *Bank Management and Financial Services*. New Delhi: Tata McGraw-Hill Education.

AFP. *Essentials of Treasury Management*. Association for Financial Professionals
Nepal Rastra Bank, *Unified Directives of Nepal Rastra Bank*.

INS 203: Principles and Practices of General Insurance

Credit: 3
Lecture Hours: 48

Course Objectives

This course aims to provide students broad knowledge on properties, liability and health insurance, and equip them with skills to put the knowledge in practice. The course will also familiarize students with the current problems and prospects in the field of property, auto, liability and health insurance in Nepal.

Course Description

This course deals with principles and practices of general insurance. The course begins with an introduction to property and liability insurance. It also covers health insurance, auto insurance and other property insurance. The course enables students to develop skill required for rate making, underwriting and claim settlement of different types of general insurance. Finally, the course deals with concept of reinsurance and reinsurance market.

Course Learning Outcomes

On completion of this course the students will be able to:

- Understand the basics of property insurance including its types, coverage and exclusions;
- Distinguish between different types of liability insurance policies;
- Explain the benefits of health insurance and its status in Nepal;
- Describe different types of auto insurance policies along with their coverage, and choose appropriate policy;
- Develop skill for rate making, underwriting and claim settlement of general insurance;
- Understand the marine, aviation, engineering, agriculture, travel insurance, umbrella insurance policy and banker's blanket insurance;
- Explain different types of reinsurance treaty and risk sharing methods; and the reinsurance markets.

Course Details

Unit 1: Property Insurance

7 LHs

Meaning and concept of property insurance; Types of property insurance; Perils covered by property insurance and exclusions; Personal policy and commercial property policy; Homeowners policy.

Unit 2: Liability Insurance

7 LHs

Meaning and concept of liability insurance; Types of liability insurance: tort liability, negligence liability, personal liability, commercial liability, professional indemnity liability, product liability, third party liability.

Unit 3: Health Insurance

7 LHs

Meaning and concept of health insurance; Objectives and benefits of health insurance; Types of health insurance: commercial health insurance, social health insurance, micro health insurance, group health insurance; Health care management problems in Nepal; Health insurance practices in Nepal.

Unit 4: Auto Insurance

6 LHs

Types of motor vehicles; Types of motor vehicle policy: coverage under Liability Only and Package Policies; Policy conditions; Add on covers; Exclusions; Knock for Knock Agreements.

Unit 5: Other property insurance**7 LHs**

Marine insurance policy and risk coverage; Aviation insurance policy and risk coverage; Engineering insurance policy and risk coverage; Agriculture insurance policy and risk coverage; Travel insurance policy; Umbrella insurance policy; Banker's blanket insurance policy.

Unit 6: Rate Making, Underwriting and Claim Settlement**8 LHs**

Rate making: objectives, methods, tariff and non-tariff insurance business in Nepal; Underwriting process of property insurance, health insurance and liability insurance; Underwriting practices in Nepal; Claim settlement process in general insurance; Legal provisions in Nepal; Role of surveyor in claim settlement in Nepal; Role of *Beema Samiti* in dispute settlement on claims.

Unit 7: Reinsurance**6 LHs**

Concept of reinsurance; Reinsurance agreement: treaty and facultative; Methods of risk sharing by reinsurance: proportionate and non-proportionate; Responsibilities and rights of reinsurance brokers; Factors influencing retentions; Reinsurance markets.

Basic Books

Rejda, G. E. *Principles of Risk Management and Insurance*. New Delhi: Pearson Education.

Vaughan, E. J. & Vaughan, T. M. *Fundamentals of Risk and Insurance*. New York: John Wiley & Sons.

References

Mishra, M. N., & Mishra, S. B. *Insurance Principles and Practices*. Delhi: S. Chand & Company Ltd.

Gupta, P. K. *Insurance and Risk Management*. Mumbai: Himalaya Publishing House.

Ghimire, R. *Insurance Theory and Practices*. Kathmandu: Buddha Publication.

Government of Nepal, Insurance Act, 1992 and Insurance Regulation, 1993.

Directives, guidelines, policies issued by *Beema Samiti* (Insurance Board of Nepal).

Publications of *Beema Samiti*.

FIN 217: Market Efficiency and Behavioral Finance

Credit: 3

Lecture Hours: 48

Course Objectives

This course aims to acquaint students with two contemporary paradigms of asset pricing - the notion of informational efficiency which claims that securities markets are free from frictions, are efficient, and securities prices accurately reflect all the relevant information; and behavioral finance theory which prescribes to consider human cognitive forces as friction in securities price formation process. The course will help students to develop knowhow to critically analyze these controversies, and to take into account the implications of these concepts while making investment decisions.

Course Description

This course deals with the theories relating efficiency of securities market in securities price formation, and possible interference of human psychology in the price formation process. The course will begin with explanation of market efficiency, and its taxonomy; then the efficient market hypothesis will be explained – the concept which advocates that securities markets are always and already efficient to form fair prices of financial assets. Thereafter the evidences inconsistent with the efficient market hypothesis will be examined in the form of market anomalies. Next part of the course is behavioral finance – the notion elucidating the impact of human psychology in financial decisions. In this respect, the course will explain behavioral biases and other cognitive forces affecting human decisions, and their implications in finance in general, and in particular, securities prices.

Course Learning Outcomes

On completion of this course the students will be able to:

- Define market efficiency, and explain the taxonomy of market efficiency;
- Describe efficient market hypothesis, and outline the implications of efficient market hypothesis in securities analysis and investment strategy formulation;
- Demonstrate competency in testing efficient market hypothesis, and interpreting the results;
- Identify market anomalies, and make use of identified anomalies to predict securities returns;
- Define behavioral finance, and explain how behavioral finance relates to the efficient market hypothesis;
- Explain how behavioral biases and other cognitive forces affect financial practitioners' decisions;
- Explain the implications of behavioral finance in personal and corporate financial decisions, and illustrate how behavioral finance complements traditional finance.

Course Details

Unit 1: Market Efficiency

3 LHs

Concept of market efficiency; Taxonomy of market efficiency: allocational efficiency, informational efficiency, operational efficiency; Random walks and informational efficiency.

Unit 2: Efficient Market Hypothesis

9 LHs

Concept of efficient market hypothesis (EMH); Assumptions of EMH; Weak-form efficiency: concept, tests and results; Semistrong-form efficiency: concept, tests and results; Strong-form efficiency: concept, tests and results; Implications of the EMH: EMH and technical analysis, EMH and fundamental analysis, EMH and portfolio management;

Critiques on EMH.

Unit 3: Market Anomalies

6 LHs

Concept of market anomalies; Taxonomy of market anomalies: calendar anomalies, fundamental anomalies, technical anomalies, cross-sectional return patterns, time series return predictability; Market anomalies and informational efficiency.

Unit 4: Introduction to Behavioral Finance

10 LHs

Rational investor paradigms; Prospect theory; Behavioral finance: concept and evolution; Key themes in behavioral finance: heuristics, framing, emotions, market impact; Traditional and behavioral finance; Personality traits; Money and happiness: implications for investor behavior; Motivation and satisfaction.

Unit 5: Behavioral Biases

6 LHs

Concept; Mental accounting; Disposition effect; Loss aversion; Representativeness; Overconfidence; Anchoring and adjustment; Familiarity bias; Cognitive dissonance; Limited attention; Inertia; Self-deception; Affect.

Unit 6: Emotions in the Financial Markets

7 LHs

Emotion; Mood; Herd behavior; Social influences; Emotional finance; Risk perception and risk tolerance; Role of emotion in risk perception and risk tolerance; Bubbles in asset prices; Stock market crashes; Financial crisis; Post-crisis investor behavior; Psychology of trading and investing.

Unit 7: Implications of Behavioral Finance

7 LHs

Trading and investment strategies in behavioral finance; Growth investing, value investing and behavioral finance; Fusion investing; Mutual funds and individual investors; Behavioral aspect of asset pricing: market inefficiency, belief and preference based models; Behavioral finance and corporate decisions; Behavioral finance and regulations.

Reference Books:

Baker, H. K. & Nofsinger, J. R. (Eds.). *Behavioral Finance: Investors, Corporations, and Markets*. Hoboken, New Jersey: John Wiley & Sons, Inc.

Baker, H. K. & Ricciardi, V. (Eds.). *Investor Behavior: The Psychology of Financial Planning and Investing*. Hoboken, New Jersey: John Wiley & Sons, Inc.

Baker, H. K., Filbeck, G. & Nofsinger, J. R. *Behavioral Finance: What Everyone Needs to Know*. New York: Oxford University Press.

Nofsinger, J. R. *The Psychology of Investing*. New York: Routledge.

Reily, F. K., Brown, K. C. & Leeds, S. J. *Investment Analysis and Portfolio Management*. Mason, Ohio: Cengage Learning.

Teall, J. L. *Financial Trading and Investing*. London: Academic Press.

ELE 229: Statistical Methods and Data Modeling

Credit: 2+1

Lecture Hours: 48

Course Objectives

This course “Statistical Methods and Data Modeling” aims to provide students with better understandings of general concepts, meaning and use of statistics and develop basic skills for applying descriptive and some inferential statistics for analyzing the data related to business, management, finance, banking and economics. Students will also be able to apply linear regression model with real data and be able to interpret the results with reference to the specific data problems. This course also equips the student with skills to analyze the data through the use of MS Excel efficiently.

Course Description

The course “Statistical Methods and Data Modeling” is exclusively of applied nature and computer intensive. The course is broadly divided into two components namely the theoretical (or conceptual) and practical. The first component is also divided further into two parts: the statistical methods and data modeling. The practical component deals with the data analysis using Microsoft Excel for both statistical methods and data modeling.

There are altogether five units in the syllabus including practical component. First unit deals with the application of descriptive statistical analysis appropriately which suits for the data set. Second unit of the course is exclusively devoted on the inferential statistics and their applications specially focusing on administrative and finance related data. This unit also include the application of test of significance of single mean, single proportion, double mean(for independent samples), more than two means(for independent samples) focusing on administrative and finance related data. Further, this also deals with the test of significance of association between two independent categorical variables and test of significance of two variances in the relevant data. Unit three involves the index numbers, types and their applications with real Nepalese data in the relevant field. Unit four deals exclusively on understanding and applications of multiple linear regression modeling, its assumptions, and regression diagnostics. It also incorporates the time series modeling. The applications of these techniques are attempted focusing on Nepalese finance, business and banking data. The last unit exclusively deals to develop the skills to analyze the data through Microsoft Excel and the interpretations of the results. The course helps students to understand different statistical methods (descriptive and inferential statistics), multiple linear regression modeling and to apply them appropriately.

Course Learning Outcomes

On completion of this course the students will be able to:

- Understand the meaning and types of different statistical tools;
- Understand the importance of descriptive and inferential statistics;
- Perform appropriate descriptive statistical analysis;
- Apply appropriate statistical test(s) as checking the assumptions of the statistical tool(s);
- Understand the fundamental concept of regression model, use linear regression model and able to interpret the results;
- Understand simple time series data and able to apply to simple trends analysis;
- Apply Microsoft Excel to explore and to analyze the data.

Course Details

Unit 1: Introductory Statistics

8 LHs

Review of concept of descriptive statistics; Data collection; Primary and secondary data; Data tabulation; Frequency distribution and cross tabulation; Stem and leaf plot; Box and Whisker plot; Diagrams and Graphs; Scatter plots; Measures of central tendency; Measures of dispersion; Measures of skewness; Measures of kurtosis; Correlation; Concept of Probability and mathematical expectation; Numerical problems and exercise related to finance, banking, economics and management.

Unit 2: Inferential Statistics

10 LHs

Concept of sampling distribution; Standard error; Concept estimation; Confidence interval estimation; Hypothesis testing: null and alternative hypothesis, one-tailed and two-tailed hypothesis, errors in hypothesis testing, type I & type II errors, level of significance, rejection region, critical values, p-value, power of the test; Linkage between testing of hypothesis and confidence interval.

Parametric tests: Test of significance of single mean (Z test and t-test) and single proportion (Z-test); Test of significance of two means (independent t-test); Assumptions for applying independent t-test; Test of significance of two variances; Test of significance of correlation coefficient; Test of significance of more than two means (independent samples) and its assumptions; Numerical problems and exercise related to finance, banking, economics and management.

Non-parametric test: Chi-square test of independence if attributes, test of goodness of fit. Attributes; Numerical problems and exercise related to finance, banking, economics and management.

Unit 3: Index Numbers

4 LHs

Introduction; Types of index numbers; Methods for construction of price indexes (unweighted and weighted: Laspeyre's, Paasche's and Fisher's method); Value indices, Chain indices, Consumer price index numbers; Base shifting; Deflation; Numerical problems and exercise related to finance, banking, economics and management.

Unit 4: Data Modeling

10 LHs

Concept of cause and effect relationship; Simple linear regression model and its fitting; Assumptions of simple linear regression model; Test of significance of regression coefficient, overall fitting of the model; Interpretation of regression coefficients; Concept of non-linear regression; Multiple linear regression model: assumptions, fitting of multiple linear regression model; Parameter estimation and test of significance of regression coefficients(t-test); Test of goodness of fit of the model(F-test); Coefficient of determination (R^2); Standard Error of Estimate; Confidence Interval estimate of regression coefficients; Predictions through model; Residual analysis. Time series analysis: definition, components, seasonal index, trend analysis, data smoothing, forecasting.

Unit 5: Data Analysis using Microsoft Excel (Practical)

16 LHs

Exercises on MS-Excel covering all the analysis indicated from unit 1 to unit 4.

Basic Books

Levine, D. M., Krehbiel, T. C., Berenson M. L. & Viswanathan, P. K. *Business Statistics: A First Course*. New Delhi: Pearson Education.

Gujrati D.N. *Basic Econometric*. New York: McGraw Hill Education.

Glyn, D. & Pecar, B. *Business Statistics using Excel*. London: Oxford University Press.

References:

Levin, R. I. & Rubin, D. S. *Statistics for Management*. New Delhi: Pearson Publications.

Anderson, D.R., Sweeney, D. J. & Williams, T. A. *Statistics for Business and Economics*. Mason: South-Western Cengage Learning.

ELE 230: Principles of Social Work

Credit: 3+1
Lecture Hours: 48

Course Objectives

The objective of this course is to equip students with the concepts and theories of social works and enable them to apply these concepts and theories in managing social works.

Course Description

Involving into and managing social works require proper understanding of concepts, theories and practices of social works. Accordingly, this course begins with providing the concepts and principles related to social works. Then it moves on to the discussion of theories works and integrated practice of social works. Next, the course deals with managing the social works and its special requirement of financing. Finally, the course discusses the research methods useful for social work research.

Course Learning Outcomes

On completion of this course the students will be able to:

- Understand the concept, theory and practice of social work;
- Carryout integrated social work practice;
- Manage social work services;
- Mobilize finance for social works;
- Conduct research on social work-related issues.

Course Details

Unit 1: Social Work Concepts and Principles

10 LHs

Social work, social welfare, social service, social action, social conscientization, social movements, collective action, community identity, social empowerment; Principles of social work, principle of self-determination, principle of non-judgementalism, principle of creation of positive attitude, principle of confidentiality, principle of social justice, principle of non-violence, principle of human dignity.

Unit 2: Social Work Theory and Practice

10 LHs

Essential elements of theory; Function of theory; Implication of theories in practice; Interlocking theories to the practices; Practice system of social work: concept of practice, praxis and reflective practice, reflective practice and reality; Four practice system: client system, action system, target system and change agent system; Social work as social justice and equity: concept and types of equality; Social equity; Human rights and social justice.

Unit 3: Integrated Social Work Practice

10 LHs

Social work as multi-disciplinary approach; Multi-dimensional vision working with the multiple stakeholders; Integrated social work approach at different levels-macro, mezzo and micro; Strength based approaches to social work practice; New paradigm in social work practice: Holism; Sensitivity to culture; pro-people oriented paradigm and Macro-Micro Nexus; New Discourses of Social work practice: ecological/economic consideration, people/state primacy, physical infrastructure/social infrastructure development, economic/social capital formation, uni-dimensional / multi-dimensional perspective, social work as art/science discipline

Unit 4: Social Work Administration**8 LHs**

Social work administration: concept, philosophical principles and values; Social work practice with special reference to program management, human resource management, project cycle management, organization development and capacity building.

Unit 5: Financing Social Works**5 LHs**

The cost of social work; The value of social work; Exploring sources of funding for social works; Reporting and transparency in social work financing.

Unit 6: Research Methods in Social Work**5 LHs**

Social work research methods; Types of research: survey, case study, diagnostic, participatory action, rapid rural appraisal, focus group discussion, appreciative inquiry, grounded theory, narrative analysis, phenomenology-based research approaches and methods; Writing research report.

References

- Deacon, L. & Macdonald, S. J. *Social Work Theory and Practice*. New Delhi: Sage Publishing.
- Johnson L. C. *Social Work Practice: A Generalist Approach*. New Delhi: Pearson India.
- Neil, T. *Understanding Social Work: Preparing for Practice*. New Delhi: MacMillan Education India.
- Armando, W. A.(ed). *Concepts and Methods of Social Work*. New Delhi: Prentice Hall.
- Chowdry, P. D. *Social Welfare Administration*. New Delhi: Atma Ram and Sons.
- Spicker, P. *Social Policy: Themes and Perspective*. Jaipur: Rawal Publications.

MGT 227: Business Ethics and Corporate Governance

Credit: 3
Lecture Hours: 48

Course Objectives

The course aims to develop an understanding of the underlying concepts of business ethics and corporate governance which are relevant to the contemporary business environment. It is designed to foster students' understanding of the ethical influences on economic, financial, managerial and environmental aspects of business. The course further aims to develop a students' ability to critically analyses ethical and governance issues in business.

Course Description

This course introduces contemporary and controversial ethical and corporate governance issues facing the business community. Topics include business ethics, emerging business ethics issues, ethics and financial reporting, ethical leadership and corporate governance, corruption and ethical decision making and human resource issues. Upon completion of this course, students in general will learn the fundamentals concept on the modern business ethics and the corporate government practices in business organizations. Topics include business ethics, emerging business ethics issues, ethics and financial reporting, ethical leadership and corporate governance, corruption and ethical decision making and human resource.

Course Learning Outcomes

On completion of this course the students will be able to:

- Define business ethics and corporate governance and realize their importance in different functional area of business;
- Understand the guiding principles of ethical action;
- Recognize ethical issues and incorporate ethical considerations in corporate decisions;
- Maintain ethical values in financial and accounting practices;
- Understand the national and global corporate governance standards;
- Demonstrate an understanding of the impact of corruption in business organizations;
- Engender a culture of zero tolerance against corruption;
- Contribute to the development of ethical corporate culture in the organization.

Course Details

Unit 1: An Overview of Business Ethics

5LHs

Ethics and business ethics: concepts and nature; Importance of business ethics; The development of business ethics; Benefits of business ethics; Ethics in functional area: marketing, finance, human resource and information technology; Ethical practices in management of Nepalese organization.

Unit 2: The Foundation of Ethical Thought

5LHs

The role of morals; The foundation of ethical theory; Teleological frameworks; Deontological frameworks; Seven guiding principles to support ethical actions; The seven deadly sins; The trolley problem; Global business standards codex.

Unit 3: Emerging Business Ethical Issues

10LHs

An ethical dilemma; Recognizing an ethical issue; The role of integrity, Honesty, Fairness; Ethical issues and dilemmas in business; Challenges of determining an ethical issue in business; Stakeholders and corporate social responsibility; Ethical decision-making; Social responsibilities of business: environmental protection, fair trade practices, safeguarding health and well-being of customers.

Unit 4: Ethics and Financial Reporting**5LHs**

Ethics and financial reporting; The role of creative accounting; Ethical philosophies and accounting issues; The role of financial reporting; The objectives of financial reporting.

Unit 5: Ethical Leadership and Corporate Governance**8LHs**

Corporate Governance: meaning, principles, need; Corporate governance code; Transparency and disclosure; Role of auditors, board of directors and shareholders; Global issues of governance, accounting and regulatory frame work, corporate scams; A contingent perspective of corporate governance; Corporate governance in Nepal; Ethical leadership; A manager's ability to develop trust, commitment, and effort; The responsibility of managers.

Unit 6: Corruption**6 LHs**

Corruption: meaning, causes, effects; Frauds and scams in banks, insurance companies, financial markets; Measures to overcome fraud and corruption; Zero tolerance of corruption; Ethics and IT.

Unit 7: Decision Making and Human Resource Issues**9 LHs**

Ethical decision making; Kohlberg's six stages of moral development; The role of emotion in moral decision making; Rationalizing unethical behaviors; The role of power and influence in ethical decisions; Ethical climate and organizational misbehavior; Sexual harassment and discrimination; Office bullying and employee monitoring.

Basic Book

Pandey, M. *Business Ethics and Corporate Governance*. Mumbai: Himalayan Publishing House

References

Vallabhaneni, S. R. *Corporate Management, Governance and Ethics Best Practice*. New Jersey: John Wiley & Sons, Inc.

Ferrell, O. C., & Fraedrich, J. *Ethical Decision Making and Cases*. New York: Houghton Mifflin.

Steiner, G. A. & Steiner J. F. *Business, Government and Society, A Managerial Perspective*. New York: McGraw-Hill/Irwin.

Monks, R. A. G. & Minow, N. *Corporate governance*. Wiley-Blackwell.