

Master of Business Administration – Financial Management: MBA (FM)

Part I

BACKGROUND

Balkumari College (BKC), established in 2043 B. S., is a community college affiliated to Tribhuvan University. The college always stands for quality education and is committed to keep up with its glorious history of academic excellence. The vision of our founders, the commitment by successive management committees, academic and non-academic staff, and the perseverance of our students for quality education have been the real force behind academic excellence. Well-equipped lab and library, well-furnished classrooms in a surrounding of trees grown over decades, and solid support of the local community offer an environment for teaching-learning at Balkumari. The college is proud to be the first quality accredited college in Nepal by the University Grants Commission, Nepal in 2009 (2066 B. S.).

INTRODUCTION TO THE PROGRAM

MBA (FM) is a career-focused program that helps students develop skills in the management of finance in businesses – all while keeping the essence of general MBA program. Accordingly, it balances management and finance core courses as wrap and weft to imprint specialized knowledge through elective courses, research projects and seminars. These courses and activities equip students with required analytical and decision-making skills applicable at local as well as global environments. Further, this program also offers students opportunity through industrial attachment, summer and winter projects to gain hands-on experience of the real business climate and develop interpersonal and networking skills. With an MBA (FM) degree, students will be prepared to excel in their career fulfilling their responsibility towards the business and the society in a ever changing domestic and global environment. Students attending this course will earn 63 credits, administered in four semesters spread over two years, and create solid foundation for academic advancement and professional excellence.

Program objective

The objective of the program is to prepare managers who possess knowledge to understand the organizations and their environment, and are equipped with a range of skills appropriate to a career in business and management specifically to the management of finance. Specifically, the program aims to prepare professionals capable of managing and leading organizations. For that to realize, the program offers an environment where the students,

- study organizations, their management and the changing external context in which they operate,

- develop the ability to apply knowledge and understanding of business and management to complex issues, both systematically and creatively,
- develop and enhance a range of skills which are highly appropriate to a career in business and management,
- prepare themselves for a career in the management of finance in businesses by developing skills at a professional level, and
- identify and leverage local business practices and adopt international best practices in the field of business and management.

OUTLINE OF THE COURSE STRUCTURE

The course structure of MBA (FM) incorporates *management and allied courses* (11 courses 29 credit hours), *finance core courses* (9 courses 20 credit hours), and *elective courses* (3 courses 6 credit hours). These courses along with *research work* (GRP 3 credit hours), *experiential learning* (Industrial attachment 3 credit hours) and *project works* (summer and winter projects 1 credit hour each). Thus, MBA (FM) students will study 23 courses, prepare one research report, attach with a business enterprise for 6-8 weeks, identify local best business practices through winter project and search international best business practices through summer project (literature survey and seminars); and finally earn 63 credit hours.

Management and allied courses cover core functional area of management, viz. accounting, marketing, organization behavior and human resource management, strategic management, and essential support courses like statistics, economics, research methodology, operation research, etc. Management courses will enable students to acquire knowledge and develop understanding of core functions of management. These courses also help students to understand how an organization functions and interacts with the environment. *Allied courses* assist students with tools and techniques for applying the knowledge for managerial decision making. *Finance core courses* create solid foundation on the theoretical and applied aspects of finance functions in an organization. *Elective courses* offer students to advance knowledge in their chosen field of study and prepare them to take up challenging career in the management of finance in businesses. *Industrial attachment, GRP, summer and winter projects* will give students opportunities to involve in real business activities, recognize real business problems and seek solutions to them, and be innovative on identifying best practices at local as well as international levels.

After studying these courses and completing the related activities, the products of the program will acquire adequate knowledge of subject matter, think critically and creatively and develop self-confidence and ability to face challenges. They will honor values, and become socially responsible. The course structure and the list of courses along with credit hours of each course are given below.

Course Structure

	Number of courses	Credit hours
Management and allied courses	11	29
Finance core courses	9	20
Elective courses	3	06
Research projects	3	05
Industrial attachments	1	03
Total	27	63

Management and Allied Courses

Courses in this group lay foundation for managerial decision making with core knowledge of functional aspects of management supported by decision making tools and techniques from support courses. These courses will enable students to acquire knowledge and develop understanding of core functions of management and help them to understand how an organization functions and interacts with the environment. Further, students will be equipped with required skills, tools and techniques applying the knowledge and skill to managerial decision making. The courses along with credit hours of each course in this group are as follows.

ENG 511	Business and Professional Communication	3
ECO 521	Economic Analysis for Business	3
ACC 531	Management Accounting	2
MKT 541	Marketing Management	2
MGT 551	Organizational Behavior and People Management	3
MGT 552	Business Environment and Strategic Management	3
MGT 553	Entrepreneurship and Small Business Management	3
MGT 554	Business Research Methods	2
STA 561	Applied Statistics	3
OPM 562	Operations Management	2
MIS 563	Management Information System	3

Finance Core Courses

The finance core courses begin with the fundamentals of financial management, corporate finance, including financial accounting, investments, behavioral finance, international financing and risk management through insurance and derivatives. The students will learn to evaluate major strategic corporate and investment decisions, and to understand capital markets and institutions from financial management perspective. They will also develop an integrated framework for value-based financial management and individual financial decision-making. Upon completion of these courses the students will be able to prepare financial statements and analyze them, have a solid foundation of concepts and theories of finance and a clear

framework for financial decision-making, have proper understanding of financial markets and institutions for raising and placing funds, understand how to evaluate and manage risk through insurance and derivatives, develop broader perspective of financial management at global context, and analyze financial transactions from behavioral perspectives.

FIN 611	Financial Reporting and Analysis	2
FIN 612	Corporate Financial Management	3
FIN 613	Taxation for Business Decision	2
FIN 614	Financial Markets and Corporate Financing Decisions	2
FIN 615	Investment Analysis and Portfolio Management	3
FIN 616	International Finance	2
FIN 617	Risk Management and Insurance	2
FIN 618	Derivatives and Risk Management	2
FIN 619	Stock Market and Behavioral Finance	2

Electives

Elective courses offer students flexibility to advance knowledge in their chosen field of study and prepare them to take up challenging career in the management of finance in businesses. Students will study any three courses from this group.

FIN 651	Special Topics in Financial Management	2
FIN 652	Multinational Financial Management	2
FIN 653	Managing Working Capital	2
FIN 654	Financial Econometrics	2
FIN 661	Project Analysis and Financing	2
FIN 662	Trade Finance	2
FIN 663	Hospitality Finance	2
FIN 664	Agro-enterprise Finance	2
FIN 665	Infrastructural Finance	2
FIN 671	Financial Management of Microenterprises and SMEs	2
FIN 672	Financial Management of Social Enterprises and NGOs	2
FIN 673	Financial Management of Local Governments	2
FIN 681	Commercial Bank Management	2
FIN 682	Insurance Companies Management	2
FIN 683	Microfinance and Cooperatives Management	2

Research Projects

All students are required to undertake research projects and prepare reports at different stages during their studies. The first project (winter project) will have to be carried out in winter vacation after completing second semester. Its objective is to familiarize students the application of theories

in practice in local business settings. It involves a kind of survey of local business practices, identifying the applications of management theories studied in the courses with a focus on identifying local best business practices that can be scaled up and replicated elsewhere. The outcome of the project will be a report in a format prescribe by the College. The report will be evaluated and carries 1 credit hour. (The College will prepare guidelines, formats, and evaluation criteria and make available to students before they go for the project work). The second project (summer project) will be carried out in summer vacation after completing the third semester. Its objective is to familiarize students with the contemporary management and financial issues at local as well as global level. It involves review of literature, development of seminar paper and presentation of the paper in a seminar organized at the college or at any other forum acceptable to the college. The seminar paper will be evaluated and carries 1 credit hour. (The College will prepare guidelines, formats, and evaluation criteria and make available to students before they go for the project work). Finally, the students will have to prepare a Graduate Research Report (GRP) at the end of the fourth semester. Through this activity, students will be able to identify business problems and seek solutions by applying systematic methods of research. They will have to submit the research report in a format prescribed by the college. The colleges shall assign a faculty member to supervise the research work. The GRP will be evaluated and carries 3 credit hours. The GRP will be evaluated internally by the supervisor (25 percent) and by an independent external expert (50 percent). The student will have to appear in the viva voce examination (25 percent). The College will prepare detail protocol and get approval from competent authority (Examination Committee of the College/ or Faculty of Management) for administering research projects. Thus, under research projects, the students will carry out the following research-based projects.

WPR 691	Winter Project	1
SPR 692	Summer Project	1
GRP 693	Graduate Research Project	3

Industrial attachment

Industrial attachment (internship) is an integral part of the academic curriculum of MBA (FM) degree. All students pursuing MBA (FM) must spend 6-8 weeks in business enterprise for experiential learning. The purpose of this activity is to expose students in real business environment and give an opportunity to observe how the classroom learning applies in practice. Moreover, they will gain hands-on experience on number of soft skills including the skill required for public service delivery. This activity will also give students an opportunity to identify career prospect in that industry. The students will have to write a report in a format prescribed by the college. The performance of the student will be evaluated on the basis of confidential report of the host organization (50 percent), the evaluation of the written report (25 percent) and oral presentation of the report (25 percent).

IAR 694	Industrial Attachment Report	3
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Bridge Courses

The College will also develop bridge courses for students requiring basic knowledge on particular area of studies. Some examples could be:

1. Management principles and practices
2. Accounting fundamentals
3. Marketing fundamentals
4. Economic fundamentals
5. Fundamentals of statistics
6. IT Applications
7. Communicative English

ELIGIBILITY CONDITIONS FOR ADMISSION

The minimum eligibility criteria for the admission in MBA (FM) is 15 years of formal education (12 years of schooling plus three years of college education in any discipline) from institutions/ universities recognized by Tribhuvan University. The applicant must have secured a minimum of CGPA of 2.0 or 45 percent in Bachelor's degree. The final decision of the admission is based on the applicant's past academic achievements and the scores in the admission test conducted by the College. The admission test comprises of *written test, group discussion, individual presentation, and personal interview*.

The admission notice will be publicly announced and all applicants must submit the duly filled-in application form along with necessary documents and the payment of prescribed fees. The admission details (e. g. key dates, document required, fees, admission test, etc.) will be published in the prospectus made available before the start of the admission process.

TEACHING PEDAGOGY

Student engagement in the learning process will be the defining features of this program. Students will have adequate opportunity to interact with qualified academics and experienced professional for guidance. A judicious combination of *case studies, project works, seminars*, will be used to complement *lecture method*.

At the beginning of the session, students will be provided an orientation about the College, the Program, and the rules and regulations of the College. During the study period, the students will have to complete summer and winter project, go for internship, and write a research report. These learning opportunities, mentored by faculties, will allow students to understand the real business practice, develop interpersonal skills, sharpen inquiring attitude, and seek solutions to the problems.

The College follows strict attendance policy. All students must attend 80 percent of the classes in each subject. Students failing to meet 80 percent criteria, without the preapproval of concerned faculty or the college management, will not be eligible to appear semester-end examination.

EXAMINATION AND EVALUATION

The evaluation process will follow two-step process. In the first step, the students will be assessed through their *regularity, class participation, assessments, presentations, group work*, etc. by the faculties in their respective courses. This in-semester evaluation will carry 50 percent weightage. Students must secure at least 60 percent marks in each subject to pass the in-semester evaluation. Students failing to secure the minimum marks are not qualified for semester-end examination and must repeat the course. The semester-end examinations will carry 50 percent weightage. It shall be based on problem solving questions, analytical questions, and case studies or any other formats as demanded by a course. The duration of the examination shall be 3 hours for each course. Students must secure at least 50 percent marks in each subject to pass the semester-end examination. Students failing the course must appear the make-up examination of the same course and secure the minimum pass marks to pass the course.

MBA (FM) follows the broader framework of Faculty of Management, Tribhuvan University in matters related examination and evaluation. Besides, the Examination Committee formed under Autonomous Regulations 2062 will oversee and supervise all the matters related to examination and evaluation.

Grading System

MBA (FM) maintains its grading system consistent to that of the MBA program of Faculty of Management, Tribhuvan University. Accordingly, the performance of MBA (FM) shall be graded in four-point scale (0 – 4). The passing grade in the semester-end examination for an individual paper shall be grade “B minus” or GPA of 2.7. In order to pass the semester examination, the student must secure a minimum of Grade “B” or Cumulative Grade Point Average (CGPA) of 3.0 (60 percent). The overall grade of a student will be determined by the student’s performance in the in-semester and semester-end examinations. The following table presents the Letter Grade, GPA, percentage equivalent and Performance Remarks for the MBA (FM) program:

Letter Grade	Cumulative Grade Point Average	Remarks
A	4.00	Distinction
A-	3.70-3.99	Very Good
B+	3.30-3.69	Good
B	3.00-3.29	Fair
B-	2.70-2.99	Pass in Individual Course
F	Below 2.70	Fail

Normal and Maximum Duration of Study

The normal duration of the course is two years, and the student must complete all the courses including dissertation, projects and industrial attachment requirements with a maximum duration of five years. For the purpose of counting the study period, it begins from the first day of the formal start of the first semester.

Failing in Courses

Students who do not qualify to appear in the semester-end examinations will have to reregister and retake the course as per the semester cycle. Students who are qualified but fail to appear in the semester-end examinations or fail in the semester-end examination can appear in make-up examinations. In such cases, the students can appear in examination for not more than 2 courses. The College shall organize make-up examinations in the last semester only where a student may appear in two courses of the earlier three semesters.

DEGREE REQUIREMENTS

To earn the MBA (FM) degree, a student must fulfil the following requirements:

- Complete all the courses, dissertation, industrial attachment, summer and winter project requirements within the maximum time period specified in the curriculum structure.
- Secure a minimum CGPA of 3.0 on the 4.0 grade scale.

SEMESTER CYCLE

	Semester I		
S. N.	Course Code	Course Title	Credits
1	ENG 511	Business and Professional Communication	3
2	ECO 521	Economic Analysis for Business	3
3	STA 561	Applied Statistics	3
4	FIN 611	Financial Reporting and Analysis	2
5	FIN 612	Corporate Financial Management	3
6	MKT 541	Marketing Management	2
		Total	16
	Semester II		
1	MGT 551	Organizational Behavior and People Management	3
2	ACC 531	Management Accounting	2
3	MGT 553	Entrepreneurship and Small Business Management	3
4	FIN 614	Financial Markets and Corporate Financing Decisions	2
5	FIN 613	Taxation for Business Decision	2
6	OPM 562	Operations Management	2
7		Elective I	2
		Total	16
	WPR 591	Winter Project	1

Course Cycle, contd...

	Semester III		
S. N.	Course Code	Course Title	Credits
1	MGT 554	Business Research Methods	2
2	MIS 563	Management Information System	3
3	FIN 615	Investment Analysis and Portfolio Management	3
4	FIN 616	International Finance	2
5	IAR 694	Industrial Attachment	3
6		Elective II	2
		Total	15
	SPR 692	Summer Project	1
	Semester IV		
1	MGT 552	Business Environment and Strategic Management	3
2	FIN 617	Risk Management and Insurance	2
3	FIN 618	Derivatives and Risk Management	2
4	FIN 619	Stock Market and Behavioral Finance	2
5	GRP 693	GRP	3
6		Elective III	2
		Total	14

Total credits 63

PART II: Courses Details

MBA (FM)

Business and Professional Communication

ENG 511

Credit hrs. 3

Lecture hrs. 48

Semester I

Course Description

This course, while introducing students with the business and professional communication, allows them to learn the strategies and practices of various modes—written, oral, group, and organization—in the contemporary workplace. Individual-level topics cover organizational communication, business vocabulary, speaking and writing, preparing and delivering presentation and career management. Upon successful completion of the course, students will earn 3 credit hours. This course represents the equivalent of learning outcomes achieved through 48 hours of student classroom study.

Learning Outcomes

Upon the completion of the course, students should be able to:

- Understand the fundamental of business and professional communication.
- Identify the purpose of communication, analyze the audience, and select and use appropriate medium of communication.
- Learn the importance of planning, drafting, and revising messages.
- Learn and practice communicating effectively in a variety of professional contexts.
- Craft messages for multiple media, produce routine messages, negative messages and persuasive message.
- Write employment message, prepare for job interview, meetings, and collaborative communication in a workplace.

Course Details

Unit 1: Communication and Its Contexts 8 hrs.

Background for effective business communication; Business communication and global context; Business communication and technology context.

Unit 2: Message Design 12 hrs.

Process of preparing effective business messages; Appearance and design of business messages; Good news and neutral messages; Bad news messages; Persuasive written messages.

Unit 3: Short and Long Business Reports and Proposals 12 hrs.

Short reports; Long formal reports; Short proposals; Long formal proposals.

Unit 4: Effective Oral, Interpersonal, and Group Communication

8 hrs.

Strategies for effective oral presentation; Strategies for improving listening skills; Strategies for successful informative and persuasive speaking; Strategies for successful interpersonal communication; Strategies for successful business and group meetings.

Unit 5: Employment Writing

8 hrs.

The job application process; *CV, Resume, Cover letters*; Interviews and follow ups; Negotiation.

Suggested Readings

- Murphy, H., Hilderbrandt, H. & Thomas, J., *Effective Business Communication*, New Delhi: Tata McGraw Hill.
- Lesikar, R. V., Flatley, M. E., Rentz, K., Paula, L. & Pande, N., *Business Communication: Making Connections in a Digital World*, New Delhi: Tata- McGraw Hill.
- Bovee, C. L., Thill, J. V. & Raina, R. L., *Business Communication Today*, New Delhi: Pearson.

Note: Latest edition of the suggested readings will be used and the faculty may recommend additional reading materials.

MBA (FM)

Economic Analysis for Business

ECO 551

Credit hrs. 3

Lecture hrs. 48

Semester I

Course Description

This course aims to enhance the understanding of economic theories and their practical applications by developing students' skill in the application of theories in managerial decisions making. This course comprises firms, managers and decisions, demand analysis, estimation and forecasting, production, cost and pricing, games, information and strategy regulation and fair competition, basics to macroeconomics, macroeconomic issues and policies and macroeconomic analysis for financial markets.

Learning Outcomes

Upon the completion of the course, students should be able to:

- Explain the economic principles, profit analysis, objectives of managers and elasticity of demand with reference to managerial decisions.
- Explain the concept and methods of demand estimation and forecasting.
- Analyze the production functions, learning curve and short-run cost estimation, and also analyze the pricing models under oligopoly market, and pricing practices.
- Acquire the knowledge about game theory and strategy, and the determinants of economics of information.
- Explain the concept of market equilibrium and measurement of efficiency and to analyze effect of change in market demand and market supply to the market equilibrium and efficiency, and also explain the sources of market failure and government response to market failure.
- Explain the measurement methods of NI and also analyze the Keynesian and IS-LM models of income determination.
- Acquire the knowledge about modern theories of inflation, Philip Curve and the phases of trade cycles with economic stabilization measures.
- Analyze the macroeconomic policies and also examine the relationship between macroeconomic variables and financial data.

Course Details

- Unit 1: Firms, Managers and Decisions 4 hrs.
Economic principles and managerial decisions, Profit analysis: Accounting profit vs economic profit, and Managers and their objectives.
- Unit 2: Demand Analysis, Estimation and Forecasting 7 hrs.
Demand estimation: Marketing research approaches, Regression analysis; Demand forecasting: Qualitative forecasts, Time series analysis, Smoothing techniques, Barometric methods, and Uses of elasticity of demand in managerial decisions.
- Unit 3: Production, Cost and Pricing 8 hrs.
Production function and optimal employment of one and two variable inputs; Learning curve; Empirical estimation of short run cost function; Oligopoly and firm architecture: Oligopoly and market concentration, Kinked demand curve model, Price leadership, Cartel arrangements; and Pricing practices: Price discrimination, Joint /multiple product pricing, Two-part tariffs.
- Unit 4: Games, Information and Strategy 4 hrs.
Strategy and types of games, Nash equilibrium, Prisoner's dilemma, Decision making and economics of information: information, risk and financial market.
- Unit 5: Regulation and Fair Competition: The Role of Government in the Economy 5 hrs.
Market and efficiency, Market failure, Government response to market failure
- Unit 6: Basics to Macroeconomics 6 hrs.
National income Accounting: Circular flow of income and expenditure, Measurement methods of national income; Theories of investment: MEC vs MEI, Theory of capital accumulation, Accelerator theory of investment; Income Determination Model in a closed and open economy: Keynesian Model, IS-LM Model.
- Unit 7: Macroeconomic Issues and Policies 6 hrs.
Inflation: Modern theories of inflation, Philip Curve: short run and long run relationship between unemployment and inflation, Business cycles and economic stabilization, Monetary policy; Scope, instruments, indicators, targets, goals; monetary transmission mechanism, Fiscal policy; scope, instruments and goals.
- Unit 8: Macroeconomic Analysis for Financial Market 4 hrs.
Relationship between macroeconomic variables (GDP, inflation, money supply, business cycle, government expenditure, tax) and financial data of banking, insurance and other financial institutions; and macroeconomics to make sense of financial market volatility.

Suggested Readings

- Salvatore, D. & Rastogi, S. K., *Managerial Economics*, New Delhi: Oxford University Press.
- Dwivedi, D. N., *Macroeconomics: Theory and Applications*, New Delhi: Pearson Education India.
- Truett, L. J. & Truett, D. B., *Managerial Economics: Analysis, Problems, Cases*, Hoboken, NJ: Wiley.
- Hirschey, M. & Pappas, J. L., *Fundamentals of Managerial Economics*, New York: The Dryden Press.
- Thomas, C. R. & Maurice, S. C., *Managerial Economics: Concepts and Applications*, New Delhi: McGraw-Hill Education.

Note: Latest edition of the suggested readings will be used and the faculty may recommend additional reading materials.

MBA (FM)

Applied Statistics

STA 561

Credit hrs. 3

Lecture hrs. 48

Semester I

Course Description

The course is exclusively of applied nature and computer intensive. This course covers the wide ranges of descriptive and inferential analysis along with correlation and regression analysis. There are altogether six units. Unit 1 explains the measurement and scaling, descriptive statistical analysis including exploratory data analysis, data management and data summarization using IBM SPSS Statistics. Unit 2 devotes on the concept of probability and some probability distributions and their applications. Unit 3 deals with sampling and sampling distribution including the concept of central limit theorem, and unit 4 discusses on point and confidence interval estimation. The issue of testing of hypothesis and application of different statistical tests are explained on unit 5 through both manual and IBM SPSS Statistics. The last unit is devoted on correlation and regression analysis up to multiple linear regression for which IBM SPSS Statistics is also used to analyze the data. The focus of the entire course is to provide through concepts of statistics and make students able to handle data properly for statistical analysis using IBM SPSS Statistics.

This course aims to disseminate the knowledge of descriptive and inferential statistics, and to develop basic skills for applying them appropriately for analyzing the data related to business, management, finance, banking and economics. Students will also be familiar with probability distributions and their computations, some discrete & continuous probability distributions and their applications. This course will also make students able to analyze data using IBM SPSS Statistics software.

Learning Outcomes

Upon the completion of the course, students should be able to:

- Understand the difference between descriptive & inferential statistics
- Apply appropriate descriptive statistical analysis
- Apply some probability distributions appropriately
- Perform inferential statistical analysis using appropriate statistical test(s)
- Understand the fundamental concept of correlation and regression analysis, use linear regression model and able to interpret the results
- Use IBM SPSS Statistics for data analysis.

Unit1: Data Summarization

10 hrs.

Concept of descriptive statistics vs. inferential statistics; Measurement and scaling; Organizing numerical and categorical variables; Cross-tabulation of data; Measures of variability; Exploratory data analysis (EDA) to assess the shape of the data distribution, Concept of outliers; Data quality and its assessment; Data management and Descriptive statistical analysis using IBM SPSS.

Unit 2: Probability and probability distribution 7 Hrs.

Basic probability concepts; Marginal, joint and conditional probabilities; Baye's theorem and its application; Mathematical expectation; Binomial distribution, Poisson distribution, Normal distribution, their major characteristics and their applications.

Unit 3: Sampling and Sampling Distribution 4 hrs.

Introduction to sampling and their types, application of different Sampling technique under different practical scenario; Concept of sampling distribution; sampling distribution of mean and proportion; standard error, central limit theorem and it's role.

Unit 4: Point and Confidence Interval Estimation 4 hrs.

Point estimate and interval estimate; characteristics of a good estimator; confidence interval estimate for both population mean and proportion and their interpretation; determination of sample size.

Unit 5: Hypothesis Testing 15 hrs.

Fundamental concepts of hypothesis testing; level of significance; types of errors in testing of hypothesis; power of the test; test of significance of single mean, single proportion, double mean, double proportion; test of significance of mean for related samples; Linkage between confidence interval estimate and testing of hypothesis; Test of significance of variances; Analysis of Variance (ANOVA) , Test of significance of independence of attributes; Statistical analysis using IBM SPSS Statistics.

Unit 6: Correlation and Regression Analysis 8 hrs.

Correlation analysis; Assumptions for Pearson's correlation; Test of significance of correlation coefficient; Concept of regression analysis; Fitting of linear regression model; Interpretation of regression coefficient; Standard error of the estimate; Coefficient of determination and it's interpretation; Test of significance of regression coefficients;; Assessment of overall fit of the regression model; Regression diagnostics; Developing a multiple regression model and their interpretations; Statistical analysis using IBM SPSS Statistics

Suggested Readings

- Levine, D. M., Krehbiel, T. C., Berenson, M. L. & Viswanathan, P. K., *Business Statistics: A First Course*, New Delhi: Pearson Education.
- Darren, G. & Paul, M., *IBM SPSS Statistics 25 Step by Step A Simple Guide and Reference*, New York: Routledge Publication.
- Levin, R. I., Rubin, D. S., Rastogi, S., & Siddiqui, M. H., *Statistics for Management*, New Delhi: Pearson Education.

Note: Latest edition of the suggested readings will be used and the faculty may recommend additional reading materials.

Financial Reporting and Analysis

FIN 611

Credit hrs. 2

Lecture hrs. 32

Semester I

Course Description

This course deals with how financial reports are prepared and analyzed in a business firm. Initially, this course presents conceptual foundation of financial accounting and reporting: processing and recording business transactions; accrual accounting concept; adjusting entries, closing entries. Then after, it includes preparation and presentation of basic financial statements like income statement, statement of retained earnings, balance sheet and cash flow statement. Finally, deals with the analysis and interpretation of financial information to measure the performance of the organizations. The objective of this course is to provide concepts required for preparing financial reports and skills for analyzing them so that the information extracted from the analysis can be used as valuable input for financial decision making.

Learning Outcomes

Upon the completion of the course, students should be able to:

- Understand the significance of accounting information for decision making.
- Process financial transactions following accounting principles
- Understand the conceptual framework of financial reporting
- Prepare financial reports and statements within the framework of financial reporting standard
- Analyze financial statement for financial decision making.

Course Details

Unit I: Accounting as an Information System

4 hrs.

Forms of business organization: Sole proprietorships, partnerships and corporations; Nature of business activity: Financing, investing and operating activities; Concept, objectives and branches of Accounting; Users and qualitative features of accounting information; Financial statements-means of communicating accounting information.

Unit 2: Conceptual Framework of Financial Reporting

2 hrs.

Generally accepted accounting principles; Accounting assumptions, principles and conventions; Accounting profession; introduction to accounting standards; Annual report and its components.

Unit 3: Processing of Financial Reporting

8 hrs.

Financial events of business: Concept, external and internal events, cash and credit events; Source documents: Concept and role in recording financial transactions; Accounting equation for analyzing the transactions; Debit, credit and their rules; Recording process of accounting events: Journal, ledger, cash and cash transactions (Cash book, Petty cash book and Bank Reconciliation Statement) and trial balance.

Unit 4: Accrual Basis of Reporting

4 hrs.

Accrual versus cash basis of reporting; Adjusting entries; Adjusted trial balance; Closing entries; Inventory and cost of goods sold including effect of FIFO & LIFO; Accounting for Long-lived assets with SLM & WDV.

Unit 5: Preparing Financial Reports

10 hrs.

Income Statement: Single step and multi-step income statement; Statement of retained earnings; Statement of changes in owners' equity; Balance sheet (classified); Preparation of financial statements without and with adjustments; Cash flow statement (direct & indirect); Preparation of director's report.

Unit 6: Analyzing Financial Information

4 hrs.

Concept, purpose and usefulness of financial information analysis; Analyzing techniques: Horizontal, vertical and ratio analysis to measure and interpret the stability, activity, profitability, productivity and possibility.

Suggesting Readings

- Kimmel. P., Weygandt, J., & Kieso, D., *Financial Accounting: Tools for Business Decision Making*, New Delhi: Wiley India.
- Narayanaswamy, R., *Financial Accounting: A Managerial Perspective*, New Delhi: PHI Learning.
- Porter, G. A. & Norton, C. L., *Financial Accounting*, Delhi: Cengage Learning.

Note: Latest edition of the suggested readings will be used and the faculty may recommend additional reading materials.

Corporate Financial Management

FIN 612

Credit hrs. 3

Lecture hrs. 48

Semester I

Course Description

This course deals with the subject matter that are useful to perform key functions the financial manager in a corporation. This course enables students to: screen projects that add value to the firm, evaluate the sources of funds to finance the projects, distribute the earnings in a way that keeps the suppliers of fund satisfied, and manage working capital to run the firm smoothly. Emphasis will be placed on appreciating the limitations and challenges that are faced when applying the theoretical framework to real world problems.

Learning Outcomes

On completion of the course, students are expected to be able to:

- Formulate the goal of the financial management in a firm, and understand how it can be realized by maintaining the ethical norms in the society,
- Value financial instruments,
- Assess investment projects by using different evaluation techniques,
- Examine the impact of capital structure on the value of the firm,
- Understand how dividend policy affects share prices, and
- Evaluate working capital policies.

Course Details

Unit 1: Nature of Financial Management

4 hrs.

Goal of financial management; The role of the financial manager; Agency relationship; Financial market and the corporation; Recent trend and ethical issues in financial management.

Unit 2: Valuation of Securities

10 hrs.

Time and value relation: the one-period and the multiperiod case, compounding and discounting, perpetuity and annuity, loan amortization. Bond Valuation: bond and bond valuation, government and corporate bonds, bond markets, inflation and interest rates, determinants of bond yields. Common stock valuation: valuation of different types of stocks, dividend discount model, price-to-earnings ratio and enterprise value ratio, valuing stocks using free cash flows.

Unit 3: Cost of Capital

4 hrs.

The cost of equity; the costs of debt and preferred stock; the weighted average cost of capital; flotation costs and the weighted average cost of capital; capital structure and the cost of capital.

Unit 4: Capital Budgeting

10 hrs.

Capital budgeting decision tools: net present value, payback period, internal rate of return, the profitability index; Capital budgeting decisions: incremental cash flows, operating cash flows, special cases of discounted cash flow analysis, inflation and capital budgeting.

Unit 5: Risk, Return, and Portfolio Theory

8 hrs.

Return and return measures; risk and risk measures; Risk and return in portfolio context; Risk diversification; The optimal portfolio selection; Relationship between risk and expected return (CAPM); An alternative view of risk and return – the arbitrage pricing theory (APT).

Unit 6: Dividend Decision

4 hrs.

Cash dividends and dividend payment; relevance and irrelevance of dividend policy; stock repurchases and stock split, dividend practices in Nepal

Unit 7: Working Capital Management

8 hrs.

The operating cycle and the cash cycle; short-term financial policy; short-term borrowing; cash and liquidity management; credit and inventory management.

Suggested Readings:

- Ross, S. A., Westerfield, R. W., Jaffe, J., Jordan, B. D., & Kakani, R. K., *Corporate Finance*, Chennai: McGraw Hill.
- Brigham, E. F. & Ehrhardt, M. C., *Financial Management: Theory and Practice*, New Delhi: Cengage Learning India.
- Van Horne, J. C. & Dhamija, S. *Financial Management and Policy*. New Delhi: Pearson Education.
- Brealey, R. A., Myers, S. C., Allen, F., & Mohanty, P., *Principles of Corporate Finance*, New Delhi: McGraw-Hill Education India.
- Annual reports and other publications of listed companies, Nepal Stock Exchange, Nepal Securities Board, Nepal Rastra Bank.

Note: Latest edition of the suggested readings will be used and the faculty may recommend additional reading materials.

Marketing Management

MKT 541

Credit hrs. 2

Lecture hrs. 32

Semester I

Course Description

This course deals on the process and challenges of marketing. It provides an understanding of marketing as the basis for general management decision-making and as a framework for analyzing business situations. It includes environmental analysis, industry and competitor analysis, marketing strategies, market mix components. Additionally, the course provides opportunities for the practical implementation of the concepts covered and the development of problem-solving skills by means of case studies.

Learning Outcomes

On completion of the course, students are expected to be able to:

- Understand the fundamental concepts and approaches to marketing
- Develop strategic marketing plan
- Scan marketing environment
- Analyze consumer market and appropriately segment them
- Analyze market competition and develop strategy to deal with the competition
- Devise product and pricing strategies

Course Details

Unit 1: Introduction to Marketing

3 hrs.

Core concepts of marketing; Approaches to marketing: product, production, selling, marketing; Societal marketing concept; Concept of marketing myopia; Holistic marketing orientation and customer value.

Unit 2: Strategic Market Planning

3 hrs.

Value-delivery sequence; Value chain analysis and core competency; Business unit strategy planning; The nature and contents of marketing plan.

Unit 3: Marketing Environment

3 hrs.

Environmental scanning; Analyzing the organization's micro environment; Company's macro environment; Tools to deal with uncertainty.

Unit 4: Analyzing Consumer Markets, Market Segmentation and Targeting

5 hrs.

Key psychological process; Social and cultural factors, and consumer decision making process. Levels of segmentation; Basis for segmenting consumer markets; Requirements for effective segmentation; Evaluating and selecting the market segments.

- Unit 6 Dealing with Competition 3 hrs.
Concept and types of competition; Key competitor analysis; Analyzing and creating competitive advantage (Michael Porter's approach); Strategic response to competition.
- Unit 7: Building Strong Brands 4 hrs.
Brand equity; Building and managing brand equity; Devising branding strategy; Brand positioning process: Defining the competitive frame of reference; Identifying and choosing POPs and PODs; Establishing positioning; Brand mantra; Differentiation strategies.
- Unit 8: Product and Pricing Strategies and Programs 6 hrs.
Product characteristics and classification; Product mix; Product line analysis; Packaging, labeling and guarantees; Changing price environment; Setting and adapting the price; Initiating and responding to price changes.
- Unit 9: Designing Marketing Channels and Managing Marketing Communication 5 hrs.
Channel design decisions; Channel management decisions; Channel integration and systems; Channel conflicts, cooperation and competition; E-Commerce marketing practices; Developing the effective communications; Deciding on the marketing communication mix; Managing the integrated marketing communication process.

Selected Readings:

- Kotler, P. & Keller, K. L., *Marketing Management*, Delhi: Pearson Education India.
- Aaker, D. *Strategic Marketing Management*, Singapore: John Wiley & Sons.
- Cravens, D. W. & Piercy, N. F., *Strategic Marketing*. New Delhi: Tata McGraw Hill.

Note: Latest edition of the suggested readings will be used and the faculty may recommend additional reading materials.

Organizational Behavior and People Management

MGT 551

Credit hrs. 3

Lecture hrs. 48

Semester II

Course Description

This course incorporates diverse areas in organizational behavior ranging from Introduction of organizational behavior and its foundations, Perception, attribution and decision making, Personality, attitudes and positive organizational behavior, Stress, power and politics, Work teams in organizations, Motivation needs, processes and application, Leadership, Conflict and negotiation, and Human capital management strategies. While administering the course, Organization behavior dimensions will be linked with human resource management (human capital management) and managing people at workplace by discussing cases with practical issues. These inputs will enable students to gain knowledge and understanding of human behavior at work place and building capacity to manage human capital effectively for quality of work life and organizational productivity.

Learning Outcomes

On completion of the course, students are expected to be able to:

- Understand the individual behavior and group behavior of employees working in an organization.
- Deploy human capital for organizational productivity and employee wellbeing.
- Manage conflict when arises in organization and negotiate for organizational development.
- Motivate employees of an organization and handle stress at workplace.
- Develop people management strategies and lead the organization in a team.
- Articulate decisions related to people management and their behavior aspects.

Course Details

Unit 1: Introduction of Organizational Behavior and its Foundations

5 hrs.

Concept of organizational behavior and people management at work place; Contextual perspective of Organizational Behavior – people management approach, productivity approach, interactionalism approach, contingency approach, system approach; Theoretical Frameworks - cognitive framework, behavioristic framework, social cognitive framework; Foundations of individual behavior: Personal factors, environmental factors.

Unit 2: Perception, Attribution and Decision-making 4 hrs. Meaning and definition of perception; Sensation verses perception; Perceptual organization; Attribution - attribution theory and managerial decision making, attribution Errors; Link

between perception, attribution and decision making in organizations; Workplace perception in Nepalese organization.

Unit 3: Personality, Attitudes and Positive Organizational Behavior 7 hrs. Concept of personality; Hofstede's framework of personality; Personality traits - locus of control, authoritarianism, dogmatism, Machiavellianism, risk propensity, self-esteem, self-monitoring; Concept of attitudes; Components of attitudes; Functions of attitudes; Changing attitudes - barriers to changing attitudes; Organizational commitment - meaning and dimensions (affective, continuance, and normative); Emotional intelligence in the workplace; Personality judgment and decisions for optimum management of human capital; Understanding personality and attitude of human at workplace of Nepal.

Unit 4: Stress, Power and Politics 5 hrs. Meaning of work stress; Individual level stressors, group level stressors, organizational level stressors, extra-organizational stressors; Stress and burnout; Stress coping strategies – individual strategies, organizational strategies; Power, authority and influence; Organizational politics; Political implications of power; Sexual harassment as consequence of unequal power in workplace; Stress, power and politics in Nepalese work settings.

Unit 5: Work Teams in Organizations 3 hrs. Concept of groups; Group dynamics; Group structure; Meaning, nature and types of work teams; Dysfunctions of groups and teams; Creating effective teams.; Practices of work team in Nepalese organizations.

Unit 6: Motivation Needs, Processes, and Application 8 hrs. Concept of employee motivation; Work-Motivation Theories – Herzberg's Two Factors theory, Porter-Lawler expectancy theory of work motivation, Equity theory of work motivation, Reinforcement theory of motivation; Implication of equity theory for organizational justice; Motivation through participation; Motivation through rewards; Motivation through job design (job rotation, job enlargement, job enrichment, job characteristics); Motivation through goal setting; Practices of employee motivation and their level of motivation in Nepal.

Unit 7: Leadership 9 hrs. Concept of leadership; Significance of leadership in managing people; Theories of leadership
– trait theory, behavioral theories, contingency; Theories of leadership - Path-goal leadership theory; Leader-member exchange (LMX) theory; Modern theoretical processes of leadership
– Charismatic leadership, transformational leadership, authentic leadership, ethical Leadership; Leadership practices in Nepalese organizations.

Unit 8: Conflict and Negotiation 4 hrs. Meaning of conflict; Conflict management processes; Bargaining and negotiation, Negotiation process; Individual differences in negotiation effectiveness; Third party negotiation, negotiation with employees and common practices of conflict management; Negotiation handling in Nepal.

Unit 9: People Management Strategies 3 hrs. Concept of people management strategies; Linking people management strategies with business strategies- horizontal integration; Talent search and talent development strategies; Practices of people management strategies in Nepalese organizations and future directions.

Suggested Readings:

- Cascio, W. F & Aguinis, H., *Applied Psychology in Human Resource Management*. New Delhi: Prentice Hall of India.
- Robbins, S. P., *Organizational Behavior*, New Delhi: Pearson Education India.
- Agrawala, T., *Strategic Human Resource Management*, New Delhi: Oxford, India.
- Newstrom, J. W., *Organizational Behavior: Human Behavior at Work*, New Delhi: Tata McGraw Hill Publishing Company.
- Luthans, F., *Organizational Behavior*, New Delhi: McGraw Hill.
- Gautam, D. K. & Gautam, P. K., *Management Cases of Nepal*, Kathmandu: KEC Publication.

Note: Latest edition of the suggested readings will be used and the faculty may recommend additional reading materials.

Management Accounting

ACC 531

Credit hrs. 2

Lecture hrs. 32

Semester II

Course Description

This course comprises conceptual foundation of management accounting; Classification and segregation of costs as well as allocation, apportionment and absorption of overhead cost using traditional and ABC methods for managerial decisions. It also deals 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 and so on. The primary objective of this course is to provide students with an understanding of the concepts, tools and techniques of management accounting and their application in managerial decision making.

Learning Outcomes

Upon the completion of the course, students should be able to:

- Develop conceptual framework for managerial application of accounting information
- Use accounting information appropriately for decision making
- Analyze the behavior of cost for managerial purpose
- Analyze cost, volume and profit relationship and use for profit planning and control
- Make tactical decisions in an organization
- Apply technique of budgeting in manufacturing and non-manufacturing organization to plan and control profit.

Course Details

Unit 1: Conceptual Framework for Managerial Accounting

2 hrs.

Concept, objectives, functions, scope and limitations of management accounting; Relationship of management accounting with financial accounting and cost accounting; Managerial use of accounting information.

Unit 2: Cost Behavior Analysis

6 hrs.

Cost concept and classification; Segregation of semi-variable cost using two-point method and regression method, measurement of correlation, coefficient of determination, standard error, standard error of coefficient and testing of significance for decision making purpose. Concept and ascertainment of total cost and profit under traditional costing and activity-based costing.

Unit 3: Income Measurement and Reporting

5 hrs.

Income measurement under variable and absorption costing; Causes of differences; Effect of

inventories of work in progress and finished stock; Effect of FIFO and LIFO; Standard costs, actual costs and income statements; Income statements under uncertainty.

Unit 4: Profit Planning for Short term Decisions 8 hrs.

Cost volume profit analysis: Concept, objectives, assumptions, limitations and techniques; Profit planning of multi-product firms, Risk and uncertainty in profit planning; Concept, need and objectives of short term decisions in business; Cost concept for decision making: Relevant and Types of decisions: Drop or continue, special offer / order, make or buy and sell or further process.

Unit 5: Management for Planning & Control 11 hrs.

Concept, importance and objectives of budgeting; Preparation and presentation of functional and master budget; Standard costing and control of material and labor under certain and uncertain situations; Flexible budget and overhead cost control.

Suggested Readings

- Garrison, R. H., Noreen, E. W. & Brewer, P. C., *Managerial Accounting*, New Delhi: McGraw-Hill Companies.
- Lynch, R. M. & Williamson, R. W., *Accounting for Management Planning & Control*, New Delhi: Tata McGraw Hill.
- Kishore M. R., *Cost and Management Accounting*, New Delhi: Taxman Allied Services.

Note: Latest edition of the suggested readings will be used and the faculty may recommend additional reading materials.

Entrepreneurship and Small Business

MGT 553

Credit hrs. 3

Lecture hrs. 48

Semester II

Course Description

This course is designed to provide students with an in-depth understanding of the concepts and process of entrepreneurship and how they are used in the promotion and management of small businesses. The course covers major topics in entrepreneurship and small business. The major contents of the course include concept of entrepreneurship, creativity and innovation, entrepreneurial contexts, opportunity recognition through environmental scanning and evaluation, entrepreneurial strategic process, business plan for entrepreneurial ventures, and family business succession strategy. With these inputs, this course aims at providing students an understanding and knowledge of the concepts and process of entrepreneurship and how they are used in the promotion and management of small businesses.

Learning Outcome

Upon the completion of the course, students should be able to:

- Understand the basic concepts and approaches to entrepreneurship development
- Use creativity and innovation to identify and analyze entrepreneurial opportunities
- Understand the nature of small business and analyze the factors that contribute to the creation of successful small businesses
- Evaluate options before going into business and follow due process to establish new business
- Use ICT in the best advantage of business promotion and growth
- Develop business plan with all its constituents
- Understand contemporary issues of entrepreneurship and small business.

Course Details:

Unit 1: Entrepreneurship and Entrepreneur

6 hrs.

Concept and development of entrepreneurship, key features, entrepreneurial process, school of entrepreneurial thought, entrepreneurship in Nepal. The profile of an entrepreneur; risk in entrepreneurship, performance measures, entrepreneurs in a social context.

Unit 2: Creativity, Innovation and Entrepreneurship

4 hrs.

Creativity; Innovation; Linking creativity, innovation and entrepreneurship; From creativity to entrepreneurship.

Unit 3: Nature of Small Business	3 hrs.
Defining small business; Characteristic features of a small business; The economic significance of the small business sector; Entrepreneur or small business owner –manager, Small business in Nepal.	
Unit 4: Options for Going into Business	3 hrs.
Issues to consider before going into business; Starting a new business; Comparison of options; Purchasing an existing business; Entering a franchise system; Procedural steps in starting a business	
Unit 5: Market Research and Strategy Formulation	4 hrs.
The role of market research; Conducting research; Developing Strategy; Developing a business model.	
Unit 6: Financing New and Growing Business Venture	3 hrs.
A typology of financing; Debt financing; Equity financing; Alternative sources of financing	
Unit 7: Preparing a Business Plan	5 hrs.
The concept of business plan; Elements of business plan; Different types of plan	
Unit 8: Legal Issues	4 hrs.
Legal structures; Intellectual property; Other legal issues; Nepalese regulations governing the establishment of small business.	
Unit 9: ICT as a Business Tool	4 hrs.
Defining ICT in small business context; The role and importance of ICT for small businesses; Information system for small businesses; Implementing an ICT strategy.	
Unit 10: Managing Growth and Transition	4 hrs.
The dimensions for business growth; Conceptualizing growth and organizational change; Growth strategies and growth enablers; From the entrepreneur to the manager; Harvesting	
Unit 11: Corporate Entrepreneurship	4 hrs.
Dimensions of and rationale of corporate entrepreneurship; The new venture development process; The key steps in developing entrepreneurial spirit.	
Unit 12: Contemporary Issues in Entrepreneurship and Small Business	4 hrs.
Social entrepreneurship; Environmental issues, Gender differences; Home-based businesses	

Suggested Readings

- Schaper, M., Volery, T. Weber, P. & Gibson, B., *Entrepreneurship and a Business* (Asia-Pacific edition), New Delhi: Wiley India.
- 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.
- Schwartz, B., *Rippling: How Social Entrepreneurs Spread Innovation Throughout the World*, San Francisco CA: Jossey Bass.

Note: Latest edition of the suggested readings will be used and the faculty may recommend additional reading materials.

Financial Markets and Corporate Financing Decisions

FIN 614

Credit hrs. 2

Lecture hrs. 32

Semester II

Course Description

This course enables students to understand various mechanism and instruments of financing business along with their limitations and challenges. For this purpose, it provides an overview of financial system and the financial markets in which the financial manager raises funds. Then the course deals with how equity and long-term debt capital is raised from the market along with the theoretical insight on the optimal mix of debt and equity capital. Further, it deals with alternative financing mechanism – leasing and the instruments - warrants and convertibles. Finally, it provides a brief overview of how firms can raise funds from international financial markets.

Learning Outcomes

On completion of the course, students are expected to:

- Understand how financial markets operates within the financial system
- Interact with the different types of financial markets
- Explain how interest rates are determined in the market
- Raise equity and debt capital from the market
- Examine the impact of using different proportion of debt and equity on the value of the firm
- Evaluate buy-versus-leasing decision
- Use warrants and convertibles as sweetener while issuing securities
- Understand the basics of raising funds from international financial markets.

Course Details

Unit 1: Overview of Financial System 4 hrs. The economy and the financial system; Functions performed by the financial system and the financial markets; International financial system; The dynamics of financial system.

Unit 2: Financial Markets, Financial Intermediaries and Interest Rates 6 hrs. Financial Markets: Functions of financial markets, structure of financial markets, internationalization of financial markets. Financial intermediaries: Functions of financial intermediaries, types of financial intermediaries. Interest rates: theories of interest rates, and term structure of interest rates.

- Unit 3: Raising Capital 6 hrs.
Features of equity capital; Early-stage financing and venture capital; The public issue; Alternative issue methods; The role of investment banker; The announcement of new equity and the value of the firm; The cost of new issues; Rights; Dilution. Features of corporate long-term debt; Types of bonds; Bank loan; Pattern of financing; Capital issues in Nepal.
- Unit 4: Capital Structure 5 hrs.
The capital structure issue; Financial leverage and firm value; MM propositions; The effects of taxes; Effects of financial distress; Signaling; The pecking-order theory; Formulating capital structure policy.
- Unit 5: Leasing 5 hrs.
Types of leases; Accounting and leasing; Taxes and leases; The cash flow and leasing; NPV analysis of the lease-versus-buy decision; Debt displacement and lease valuation; Reasons for leasing; Leasing practices in Nepal.
- Unit 6: Warrants and Convertibles 2 hrs.
Warrants; Convertibles; The value of convertible bonds; Reasons for issuing warrants and convertibles.
- Unit 7: Raising Funds from International Markets 4 hrs.
Foreign exchange markets and exchange rates; Purchasing power parity; Interest rate parity, unbiased forward rates, and international Fisher effect, the cost of capital for international firms; Exchange rate risk; Political risk

Suggested Readings

- Ross, S. A., Westerfield, R. W., Jaffe, J., Jordan, B. D., & Kakani, R. K., *Corporate Finance*, Chennai: McGraw Hill.
- Mishkin, F. S. & Eakins, Stanely, G., *Financial Markets and Institutions*, Delhi: Pearson India.
- Brigham, E. F. & Ehrhardt, M. C., *Financial Management: Theory and Practice*, New Delhi: Cengage Learning India.
- Van Horne, J. C. & Dhamija, S. *Financial Management and Policy*. New Delhi: Pearson Education.
- Saunders, A, & Cornett, M. M., *Financial Markets and Institutions*, New Delhi: Tata McGraw-Hill.
- Rose, P. S. *Money and Capital Markets*. Irwin: McGraw-Hill.

Note: Latest edition of the suggested readings will be used and the faculty may recommend additional reading materials.

Taxation for Business Decision

FIN 613

Credit hrs. 2

Lecture hrs. 32

Semester II

Course Description

This course aims at providing essential knowledge of taxation for business decision. The students pursuing this course will study corporate income tax, value added tax, and tax planning in detail. It will assist students to acquire necessary knowledge and skill of corporate tax planning so that they can analyze the effects of taxes on business decisions. This course mainly encompasses the major components of corporate taxation and tax planning like conceptual aspects of corporate taxation, value added tax, tax administration, tax planning, and tax planning for business decision.

Learning Outcomes

On completion of the course, students are expected to:

- Understand the theoretical concepts of tax and its types
- Assess taxable income, tax liability, and advance tax installments of trading and manufacturing companies
- Compute the amount of value added tax on goods and services at different levels of selling and distribution points
- Explain tax administration system and its various components in the context of Nepal
- Understand the rights and duties of tax payers in Nepal
- Appreciate the significance of tax planning in business entities
- Analyze the effects of taxes on business decisions and suggest appropriate alternative from the view point of tax implication.

Course Details

Unit I: Conceptual Foundation of Taxation

5 hrs.

Concepts of tax, direct and indirect taxes; Sources of public revenue in Nepal; Structure of tax revenue in Nepal; Evolution of tax laws in Nepal; Characteristics of Income Tax Act, 2002; Concepts of income taxation: Presumptive taxation, turnover taxation, personal taxation and corporate taxation; Major headings or sources of income: Employment, investment, business, and casual.

Unit 2: Taxation of Corporate Income 8 hrs. Assessment of business income: chargeable incomes, allowable deductions, disallowed expenses, assessable income from business; Assessment of investment income: chargeable incomes from investment, allowable deductions, assessable income from investment; Assessment of total income, allowable reductions, tax assessment: flat rate system, total tax liability, adjustment of tax rebates and concessions, tax payable, advance tax payments

in installments; Inter-corporate investment and capital gain tax, Set-off and carry-forward of business and investment losses.

Unit 3: Value Added Tax 5 hrs. Meaning and concept of Value added tax (VAT); Evolution of VAT; Concepts of cascading effect and zero rating; Methods of VAT; Taxable transactions; Tax-exempted transactions; VAT accounting; Tax registration; Tax collection; Tax invoice; VAT refund; Duties of businessmen and customers in VAT system.

Unit 4: Tax Administration 3 hrs. Revenue administration structure in Nepal; Tax registration, Permanent Account Number (PAN), withholding tax, filing of returns; Methods of tax collection; Methods of tax realization; Rights and duties of taxpayers; Administrative review and appeal.

Unit 5: Tax Planning 4 hrs.

Tax burden simplification: tax evasion, tax avoidance, tax planning; Major differences among tax evasion, tax avoidance and tax planning; Risks on tax evasion and tax avoidance practices; Basic concepts of tax planning; Needs and objectives of tax planning to modern business corporations; Types of tax planning; Scopes of short-range tax planning, scopes of long-range tax planning; Concepts of tax management.

Unit 6: Tax Planning for Business Decisions 8 hrs.

Taxation and business decisions: concepts of tax incentives, effects of deductions, reductions, exemptions, tax holiday, rebates on business decisions; Tax planning for business decisions: selection of business, forms of business incorporation, location of business unit, size of business, timing of future business activities; Capital structure; Leasing or buying business assets, retention or distribution of returns, merging of business units.

Suggested Readings:

- Dhakal, K. D, Bhattarai, I. P., Koirala, G. P. & Bhattarai, R. (2019) *Corporate Taxation*, Kathmandu: Asmita Books Publishers & Distributors.
- Regmi, G. N. & Bharati, C. B. *Corporate Taxation*, Kathmandu: KEC Publication and Distributors.
- Government of Nepal, *Income Tax Act, 2058 and Income Tax Rules, 2059* (with latest amendments)
- Government of Nepal, *Value Added Tax Act, 2052 and Value Added Tax Rules, 2059* (with latest amendments).

Note: Latest edition of the suggested readings will be used and the faculty may recommend additional reading materials.

MBA (FM)

Operations Management

OPM 562

Credit hrs. 2

Lecture hrs. 32

Semester II

Course Description

This course is intended for the students willing to learn about tools of operations management and apply them to manage businesses of varying nature. Most of the present-day businesses have services as an integral component in the day to day operations of an organization. In addition, service represents and contributes significant proportion in the present-day economy. Some of the challenges which differentiate service sector particularly financial institutions apart from manufacturing sector is its intangibility, uniqueness and extensive customer interaction. Hence, this course will provide tools, techniques and theories to integrate operations, strategy, marketing, technology, and other issues for efficient operation of the systems in an organization.

Learning Outcomes

On completion of the course, students are expected to:

- Set appropriate operation objectives and develop operation strategies
- Design new product and develop new services and manage service experiences
- Analyze process and apply six-sigma for process improvement
- Manage yield by developing correct pricing and capacity strategies
- Use appropriate tools for inventory management and waiting time management
- Use data envelopment analysis technique to optimize business solutions.

Course Details

Unit 1: Introduction

10 hrs.

Production and operations: Concept and historical evolution of production and operations, manufacturing operation versus service operation, operations objectives, operation strategy and competitive strategy; Service in the economy: Importance of service sector, opportunities in service sector; characteristics of services, classification of frameworks.

Unit 2: Creating Breakthrough Production and Services

12 hrs.

Product design: The product design process, quality function deployment, value analysis, product process matrix; New Service development: New service development process, Service innovation, service system design and innovation, service system design tools (Service blue printing and customer service utility models); Managing service experiences: Experience economy, creating successful and satisfying experiences, evaluating service experiences.

Unit 3: Managing Operations

12 hrs.

Analyzing process: The need for process analysis in services, process flow diagram; Service quality: defining service quality, measuring service quality, gaps in service quality, service quality design, foolproof service using Poka-Yoke (error-avoid), measures of customer satisfaction, achieving service quality; Six Sigma for process improvement; Variation; Six sigma: process capability, the cost of poor quality, metrics and strategic consistency; DMAIC cycle; Yield management: Capacity strategies, yield management, overbooking, pricing, implementation issues.

Unit 4: Tools and Techniques

14 hrs.

Inventory management: Services versus manufacturing inventory, the need for inventory science; Waiting Time Management: Pervasiveness of waiting lines; Lack of managerial intuition surrounding waiting lines, qualitative understanding of waiting lines; Advanced Models: Data Envelopment Analysis - characteristics of evaluation/benchmarking systems, advantages of DEA, the concept of DEA, DEA implementation problems

Suggested Readings

- Metters, R., King-Metters, K., Pullman, M. & Walton, S., *Successful Service Operations Management*, New Delhi: THOMSON, South-western.
- Haksever, C., Render, B., Russell, R. S. & Murdick, R. G., *Service Management and Operations*, Pearson Education.
- Fitzsimmons, J. A. & Fitzsimmons, M. J., *Service Management – Operations, Strategy, Information Technology*, New Delhi: Tata McGraw-Hill.

Note: Latest edition of the suggested readings will be used and the faculty may recommend additional reading materials.
