MGT 204 Business Law

Lecture Hours: 150
Full Marks: 100
Pass Marks: 35

Course Objectives:
This course aims to enhance students understanding of the basic business laws required for effective management of business operations.

Course Description:
This course contains; Introduction to law and business law, General law of contract, Contract of agency, Bailment, Contract of sale of goods, Contract of carriage, Law of company and insolvency, Arbitration, Indemnity and guarantee.

Unit 1: Introduction to Law and Business Law
LH 8
- Nature and characteristic of law
- Types and sources of law
- Meaning and characteristic and source of Nepalese business law

Unit 2: General Law of Contract
LH 44
- Meaning, Nature and definition of contract, Essential elements of valid contract,
- Meaning and Rules regarding offer, Revocation/ lapse of offer, Meaning and rules regarding acceptance, communication of offer and acceptance
- Meaning of contractual capacity, Legal effects of agreements made with an incompetent party (the minor and the person of unsound mind)
- Meaning and Rules regarding consideration, Exceptions to the general rule 'No consideration no contract.
- Concept and importance of free consent, Meaning, and legal effects of contract caused by: Coercion, Undue influence, Misrepresentation, Fraud, Mistake
- Concept and importance of legality of objective and consideration, Conditions of unlawful agreement and void agreement.
- Meaning and definition of contingent contract, Rule regarding contingent contract
- Meaning and definition of quasi contract, Cases of quasi contract.
- Meaning of termination of contract, Modes of termination of contract.
- Conceptual capacity, rules regarding minor's agreement, person of unsound mind and disqualified persons

Unit 2: Bailment
LH 16
Meaning of bailment, Rights and duties of Bailor and Bailee, Finder of lost goods (rights and duties of finder of lost goods), Meaning of pledge of pawn, Distinction between bailment and pledge, Right and duties of pawner and pawnee, pledge by non-owner.
Unit 3: Contract of Agency  
Meaning and general rules of agency, Modes of creating agency, Types of agent Rights and duties of agent, Right and duties of principal, Delegation of authority, Sub-agent and substituted agent, Responsibility of agent, Personal responsibility of agent, Termination of agency, Procedure of registration and effect of non-registration of agency in Nepal.

Unit 4: Contract of Sale of Goods  
Meaning and features of contract of sales of goods, Difference between sales and agreement to sell, implied condition and warranty, and caveat emptor, Transfer of ownership, transfer of title by non- owner, Rights and duties of unpaid seller.

Unit 5: Contract of Carriage  
Meaning and nature of contract of carriage, Characteristics of common carrier, Difference between common and private carrier, Rights, duties and liabilities of common carrier, Carriage by land, Carriage by Sea (contract of Affreightment: charter party and bill of lading), and carriage by air, Inco terms 2010: A brief introduction.

Unit 6: Law of Negotiable Instruments  
Meaning and feature of negotiable instruments, Promissory note, bills of exchange and cheque, Holder and holder in due course, Discharge of negotiable instrument.

Unit 7: Law of Company and Insolvency  

Unit 8: Arbitration  
Meaning, features and significance of arbitration, process of appointment of arbitrators, power and function of arbitrators, disputes or cases to be settled by arbitration, who can refer disputes to arbitration, revocation of Arbitrator, authority, procedures of settlements of disputes, award, major provisions of Nepal Arbitration Act.

Unit 9: Indemnity and Guarantee  
Meaning of contract of indemnity, Rights and duties of indemnifier and indemnity holder, Meaning of contract of guarantee, Types of guarantee, Difference between indemnity and guarantee, Rights, duties and liabilities of surety, Discharge of surety from liability.
Basic books/ References

- Shrestha, Ram Prasad, Banijya Kanoon, Mrs. Bijaya Shrestha, Lagankhel, Lalitpur.
- *Arbitration Act, 2055*

Lecture Hours: 150

Course Objective
This course "Fundamentals of Financial Management" aims to provide students with basic understandings of fundamental concepts and principles of financial management. This course also equips the students with fundamental tools and techniques of financial management that are useful to undertake financial decisions by corporate firms. By the end of this course, the student will be able to:

- explain fundamental concepts and principles of financial management
- analyze and interpret the financial statements of corporate firms
- apply the concept of time value of money in business decision
- measure risk and return on assets and diversify risk
- determine the intrinsic value of bonds and stocks
- calculate weighted average cost of capital along with the cost of each source of financing
- evaluate investment projects applying appropriate techniques of capital budgeting
- describe the concept of capital structure and leverage, and analyze its implication on firm value
- Identify fundamental issues in dividend payments of a firm.
- explain basic concepts of working capital and apply different techniques for managing current assets

Course Description
This course "Fundamentals of Financial Management" is deals with how effectively financial resources are raised and used by a business firm. It helps students to learn effective management of financial resources in a firm and equips them with necessary skills to put them in practice. The course also creates foundation for specialized and advance courses in finance. This course is divided into11 units covering the basic aspects of financial management. The titles covered under this course are: introduction to financial management, financial statements and analysis, time value of money, risk and rates of return, bond valuation, stock valuation, cost of capital, basics of capital budgeting decision, capital structure and leverage, dividend payments, and working capital and current asset management. The course will be implemented to provide in a manner that gives students adequate opportunities to expose to real business financial situations.

Course Details

Unit 1: Introduction to Financial Management
Unit 2: Financial Statements and Analysis

Unit 3: Time Value of Money
Concept and significance of time value of money, Cash flow time line, Present value and future value: future value of a single amount and present value of a single amount, Solving for interest rates and time period, Annuities: types of annuities, future value of ordinary annuity and annuity due, present value of ordinary annuity and annuity due; solving for annuity payments, periods and interest rates, Present value of perpetuities, Future and present value of uneven cash flows, Semi-annual and other compounding periods, Comparing interest rates, Amortization of Loans

Unit 4: Risk and Return

Unit 5: Bond Valuation
Meaning and key characteristics of bonds, Basic financial asset valuation model, Valuation of bonds: perpetual bonds, zero coupon bonds, coupon bonds with finite maturity, Bonds with semi-annual coupons, required return and bond values, Changes in bond values over time, Bond yields: current yields, yield to maturity and yield to call.

Unit 6: Stock Valuation

Unit 7: Cost of Capital
Concepts and uses of cost of capital, Component cost of capital: cost of debt, cost of preferred stock, cost of retained earnings, cost of new common stock, weighted average cost of capital, Factors affecting cost of capital.

Unit 8: Basics of Capital Budgeting Decision
Concept and significance of capital budgeting, Process of capital budgeting decisions, Classification of capital projects, Capital budgeting techniques: payback period, discounted payback period, accounting rate of return, net present value, internal rate of return, comparing NPV and IRR, modified internal rate of return, profitability index, Evaluation of techniques

Unit 9: Capital Structure and Leverage
Capital structure and financial structure, Optimal capital structure and weighted average cost of capital, Business risk and financial risk, Break-even Analysis: Determining BEP, BEP charts, application and limitations of break-even analysis, cash BEP and financial BEP, Degree of operating leverage, financial leverage and total leverage, Factors affecting capital structure decisions.
Unit 10: Dividend Policy

Concept and types of dividend, Dividend payment procedures, Factors influencing dividend policy, Dividend payout scheme, Stock dividend, Stock split, Stock repurchase, Dividend Payment Practices in Nepal

Unit 11: Working Capital and Current Assets Management

Concept of working capital, Importance of working capital management, Factors affecting size of working capital, The cash conversion cycle, Purpose and Significance of inventory management, Basic inventory costs, The economic order quantity model, Re-order point and safety stock, Quantity discount, Purpose and significance of cash management, Motives and rationale for holding cash and marketable securities, Cash Budget, Purpose and significance of receivable management, Elements of credit policy: credit standard, credit terms and collection policies.

Basic Text

Reference Texts
MGT 217: Business Environment & Strategic Management

Lecture Hours: 150

Course Objectives:
This course aims to provide students with a sound understanding of environmental forces affecting business operations and to improve their ability to analyze such environmental forces on Business. This course intends to provide students with a review of major environmental forces concept and a basic understanding of how these forces affects the operations of Business. This course also provides the students to the fundamental concepts of strategic management and practices. The course helps to develop.

Course Description
This course contains two parts: Business environment and strategic management in business environment students will familiarized with the topics such as introduction to business environment, political environment, environment regulations/legal environment, economic environment, socio-cultural environment, technological environment, Asian and global environment. In strategic management students will be familiarized with the topics such as strategic management, establishing company direction, internal analysis, evaluation company resources and competitive capabilities, strategic options, strategy formulation and strategic choice, strategy implementation strategic control and evaluation.

Part I: Business Environment

Course Contents:

Unit 1: Introduction to Business Environment

Unit 2: Political Environment

Unit 3: Environment Regulations/Legal Environment

Unit 4: Economic Environment

Unit 5: Socio-Cultural Environment
An introduction to socio-cultural environment. Socio-cultural components: attitude and belief, religion, language, education, family structure and social organizations.

Unit 6: Technological Environment

Unit 7: Asian and Global Environment

Part II: Strategic Management

Unit 1: Strategic Management

Unit 2: Establishing Company Direction

Unit 3: Internal Analysis

Unit 4: Evaluating Company Resources and Competitive Capabilities
Concept of Company Resources. Strengths and resources capabilities. Weakness and resource deficiencies. Assessment of internal resources and core competencies (Available resources, Threshold resources, Unique resource, Core competencies). Strategic advantage.

Unit 5: Strategic Options
Concept of strategic Options: Strategic Alternatives at Corporate level (Stability strategy, growth strategy, Retrenchment strategy, Combination strategy) Strategic alternatives at business level (Porter’s Competitive strategy, Strategic clock-oriented market based generic strategies). Direction for strategy development (Consolidation, market penetration, product development, Market development, Diversification). Methods of strategy Development (Internal development method, acquisition and merger method, joint development and strategic alliances method).

Unit 6: Strategy Formulation and Strategic Choice

Unit 7: Strategy Implementation
Concept of strategy implementation. Process of strategy implementation (operationalizing the strategy, Designing structure for strategy implementation). Resource planning. Management system for strategy implementation.

Unit 8: Strategic Control and Evaluation


Text Books:
MGT 218: Fundamentals of Taxation and Auditing

Duration of the course: 150 Lecture hours

Course Objectives

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 and enable for preparing tax returns.

The course further aims to provide students 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 contains two parts: taxation and auditing in taxation students will be familiarized with the topics 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 an assessee (tax payer), heads and sources of income, computation of taxable income and tax liability from employment, computation of taxable income and tax liability from business, computation of taxable income and tax liability form investment, tax administration and official documentations, penal provision, value added tax (VAT). In auditing students will be familiarized with the topics such as conceptual foundation, planning an audit, internal check and control, vouching, verification and valuation, audit report, auditing standard.

Course Details

Part – I: Taxation

Unit 1: Conceptual Foundation

LH 5

Meaning and objectives of tax. Classification of taxes and their merits and demerits, Canons of taxation.

Unit 2: Taxation of Income in Nepal

LH 3


Unit 3: Definition of basic terms under Income Tax Act

LH 2

Unit 4: Tax Accounting and Timing

LH 2

Accounting based on Cash, Accounting on accrual basis, Bad debts and its recovery. Long term contract.

Unit 5: Quantification, Allocation and Characterization of Amounts

LH 4
Unit 6: Capital and Revenue  
   LH 3  
   Capital and Revenue receipts, Capital and Revenue expenditure, Capital and Revenue loss

Unit 7: Classification and Status of an Assessee (Tax Payer)  
   LH 6  
   Natural person and entity, Resident and nonresident. Single and couple. Special provision for Natural Person, Entities and Retirement Savings

Unit 8: Tax Exemptions, Concessions, Tax Rates and Withholding Payments  
   LH 10  
   Reduction Allowed (common deduction) while computing Taxable Income: Contribution to retirement fund, Contribution made to philanthropic purpose (donation/gift). Expenses Disallowed for Deduction

Unit 9: Heads and Sources of Income  
   LH 2  
   Concepts, Classification: Income from Employment, Income from Business, Income from Investment, Casual gain. Sources of Incomes: Domestic and Foreign

Unit 10: Computation of Taxable Income and Tax Liability from Employment  
   LH 12  
   Income included under the head of employment. Non taxable/non chargeable income. Valuation of perquisites, Allowable reduction

Unit 11: Computation of Taxable Income and Tax Liability from Business  
   LH 16  
   Income included under head of business. Admissible expenses

Unit 12: Computation of Taxable Income and Tax Liability from Investment  
   LH 6  
   Income included under head of investment. Income from the disposal of non-business chargeable assets. Admissible expenses

Unit 13: Taxation on Capital Gain  
   LH 3

Unit 14: Computation of Total Taxable Income (in case of more than one source of income) and Tax Liability  
   LH 4

Unit 15: Provision for losses  
   LH 4

Unit 16: Tax Administration and Official Documentations  
   LH 6  
   Tax authorities and their powers, rights and duties. Rights and duties of taxpayers. Documentation. Record keeping and Information collection

Unit 17: Income Return and Tax Assessment  
   LH 3

Unit 18: Payment, Collection (recovery/realization), Remission, Refund and Set Off  
   LH 4

Unit 19: Penal Provision  
   LH 4  
   Provision of fees and interest, Provision of penalties for offences

Unit 20: Administrative Review and Appeal  
   LH 2
Unit 21: Value Added Tax (VAT)  
Concept of 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, Difference between VAT and Sales Tax


Unit 1: Conceptual Foundation  
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 2: Planning an Audit  

Unit 3: Internal Check and Control  
Internal check: concept, objectives, characteristics, advantages and disadvantages. Internal control: concept and characteristics. Internal audit: concept, importance, role of internal auditor, internal audit and statutory audit. Test checking: concept, factors to be considered while test checking, advantages and limitations, Routine checking: concept, advantages and disadvantages.

Unit 4: Vouching, Verification and Valuation  
Concept, importance and objectives. Difference between vouching, verification and valuation. Consideration before vouching

Unit 5: Audit Report  
Concept, contents and types of audit report

Unit 6: Auditing Standard  
Concept, objectives and importance of Auditing Standard
Books for Taxation

Basic Books:

References

Books for Auditing

Basic Books:
1. Ramaswamy, M.S., Auditing, S. Chand and Co., New Delhi.

References:
MGT 219 Organizational Behavior

Lecture Hours: 150

Course Objectives:
The major objective of this course is to provide students with an in-depth understanding of fundamental theories of organizational behavior and thereby enable them to function more effectively in their present or future roles as managers of human resources.

Course Description:
This course aims to develop soft HR skills of the students to handle on different dimensions of behavior of people at work. The course contain comprises: introduction, understanding individual behavior, perception, individual decision making and learning in organizations, personality and positive organizational behavior, motivation, job satisfaction and stress management, groups and teams in organizations, leadership, communication, conflict and organizational change and development.

Course Details
Unit 1: Introduction to Organizational Behavior LH 12
Concept, Organizational behavior system, basic assumptions, levels of OB analysis, Basic assumptions of OB, Contributing disciplines to the field of OB, challenges and opportunities for OB.

Unit 2: Understanding Individual Behavior LH 10
Behavior as an input-output system. Mental process-beliefs, attitudes, values, needs, motives and behavior, Sensation, Emotions and Cognitive dissonance.

Unit 3: Perception and Learning LH 23
Concept of perception, perceptual process, factors affecting perception, specific application of perception in organizations, principles of perceptual selection, Application of perception theories in organizations, Attribution theory, Attribution errors. Concept of learning, Learning theories, Factors influencing learning, Principles of learning, Behavior modification, Attitude formation.

Unit 4: Personality LH 13
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  
Concept, Motivation theories-historical and contemporary perspectives, Application of motivation theories, Motivation for Performance, Concept of job satisfaction, Measuring job satisfaction, Effects of job satisfaction on employees’ performance.

Unit 6: Groups and Teams in Organizations  
Concept of group and group dynamics, the dynamics of group formation, types of groups, The dynamics of informal groups, nature and significance of informal groups, Issues related to group decision making, concept and nature of teams, Types of teams, Team processes.

Unit 7: Leadership  
Concept, Effective leadership, Theories of leadership-trait perspective, behavioral theories, contingency theories, emerging approaches to leadership, Contemporary issues in leadership.

Unit 8: Communication  
Concept, Function and process, System, Types, Communication network, Barriers to effective communication, Overcoming communication barriers, Current issues in communication.

Unit 9: Conflict  
Concept, nature, types and nature and types of intergroup conflict, Dynamics of intergroup conflict, Sources of conflict, Approaches to conflict management, Resolving conflict through negotiation, Functional and dysfunctional conflicts, Assertive behavior.

Unit 10: Organizational Change and Development  
Concept, Forces of change, Resistance to change, Approaches to managing organizational change, creating culture for change, Concept and characteristics of organizational development (OD), OD values, OD interventions at individual, group and organizational level.

Text Books: