

Tribhuvan University  
**Faculty of Management**  
**Office of the Dean**



**Course detail of**  
**BBA (Bachelor of Business Administration) 7<sup>th</sup> Semester**

MGT 239: Business Ethics and Corporate Governance	3 Credit Hours
Three Specialization Courses	9 Credit Hours
PRJ 350: Summer Project	3 Credit Hours

**Specialization Area: Banking and Finance (Any Three Courses)**

- BNK 203: Working Capital Management
- BNK 204: Investment Analysis
- BNK 206: Commercial Banks Management
- BNK 210: Fundamentals of Cooperative Management

**Specialization Area: Industry and Services Management (Any Three Courses)**

ISM 202: Productivity Management

ISM204: Project Management

ISM 205: Supply Chain Management

ISM 206: Service Operations and Management

**Specialization Area: Micro Enterprise Management (Any Three Courses)**

MEM 201: Management of Micro Enterprise

MEM 202: Business Plan for Micro Enterprise

MEM 203: Micro Finance

MEM 208: Micro Insurance

**Specialization Area: Sales and Marketing Management (Any Three Courses)**

MKM 201: Consumer Behavior

MKM 203: Fundamentals of Selling

MKM 206: Distribution Management

MKT 217: Fundamentals of Advertising

MKM 213: Sales Management

**Specialization Area: Accounting (Any Three Courses)**

ACS 201: Taxation in Nepal

ACS 203: Corporate Accounting

ACS 204: Budgeting

ACS 207: Accounting for Insurance

**April 2025**

# ACS 201: Taxation in Nepal

BBA

*Nature of course: Core*

*LHs: 48*

*Full Marks: 100*

*Pass Marks: 50*

## Course Objectives

The course aims to impart the knowledge of general principles and practices of taxation in Nepal and develop in them the fundamental skills required to solve practical problems regarding direct and indirect taxation with basic knowledge of tax planning and tax administration.

## Course Description:

This course covers introduction of taxation that covers sources of financing in Nepal, direct and indirect tax and different basic terms used in tax act. It also incorporates corporate income tax that covers all required items related to computation of tax liability of any types of entities. Similarly it covers customs duties, excise duties tax planning, capital gain, panel provision and tax assessment and return of income.

## Course Details

### Unit 1: Introduction

8 LHs

Concept and definition of tax; Sources of financing in Nepal; Difference between Tax, duty, charge and fee; Direct tax and indirect tax, Impact of direct and indirect tax in Nepalese economy, Tax on capital (Tax on land, land transfer, motor vehicle, house and land tax). Income year and assessment year, difference between withholding and final withholding payment, exempt amount, exempt organization, differences of retirement fund, retirement contribution and retirement payment.

### Unit 2: Historical knowledge of income tax law in Nepal

4 LHs

Business, Profit and Remuneration Tax Act 2017, Nepal income Tax Act 2019, Income Tax Act 2031, Income tax Act 2058, Income Tax Rules 2059.

### Unit 3: Corporate Income Tax

12 LHs

Introduction and Development of corporate income tax; Exemptions, concessions, reduction, deductible and non-deductible expenses, tax credit, rebates, tax Rates and set off loss, treatment and carry forward of losses, inter-source and inter-head adjustments within country and outside country; Tax exempted institutions; Tax deduction at source and its treatment; Computation of assessable income, taxable income and tax liability under business other than proprietorship firm,. Total taxable income and total tax liability.

### Unit 4: Customs Duties

4 LHs

Introduction and evolution of Customs; Import and export procedures; Provisions regarding Jhitigunta; Classification of commodities under harmonized system, valuation system, customs tariff (Tax Rate Structure), exemptions, fine and penalties and appeal;

Customs administration, Bonded warehouse, Automated System for Customs Data (ASYCUDA), WTO customs valuation system.

**Unit 5: Excise Duties**

**4 LHs**

Introduction and evolution of excise; Classification of excisable products; Obtaining of license and its termination; Determination of factory price; Physical control system; Method of excise Assessment; Recovery ratios, exemptions, fines and penalties.

**Unit 6: Concept of Tax Planning and Tax Management**

**4 LHs**

Concept of tax planning, tax management and scope and significance; Tax evasion, tax avoidance, tax delinquency; Difference between tax planning and tax evasion, Tax planning and tax avoidance and tax planning and tax management (only theoretical explanation).

**Unit 7: Capital Gain Tax**

**4 LHs**

Concept of capital gain and capital gain tax; Computation of capital gain on disposal of depreciable assets, business assets, non-business chargeable assets; Provisions for adjustment and carry-forward of capital loss, Applicable tax rates for individual and entities (with numerical examples)

**Unit 8: Penal Provision, prize and other incentives**

**5 LHs**

Concept of penalty and offence; Provision of interest for underestimating tax payable by installment and delay or fail to pay tax. Provision for fee charge for failure to maintain documentation or file statements or returns of income, for making false or misleading statements, For aiding or abetting or inducing another person to commit and offence, Provision for criminal offences for; failure to pay tax, making false or misleading statement, authorized and unauthorized person, aiding or abetting, failure to comply with Act. Provision of prize and other incentive. ((With numerical examples)

**Unit 9: Tax assessment and return of income**

**3 LHs**

Concept of tax assessment: Methods of tax assessment; self- assessment, Jeopardy assessment/ best judgmental assessment and amended assessment. Concept of return of income: extension of time to final return of income: return of income not required. Procedures of online final return and E- TDS (use [www.IRD.Gov.np](http://www.IRD.Gov.np)).

**Suggested Readings**

Nepal Government. *Income Tax Act 2058 with amendments*. Kathmandu: Ministry of Law, Justice and Constituent Assembly

Nepal Government. *Income Tax Rules 2059 with amendments*. Kathmandu: Ministry of Law, Justice and Constituent Assembly

Nepal Government. *Customs Duty Act 2064 with amendments*. Kathmandu: Ministry of Law, Justice and Constituent Assembly

Nepal Government. *Excise Duty Act 2058 with amendments*. Kathmandu: Ministry of Law,

Justice and Constituent Assembly

Dhakal, K.D., Bhattarai, I, Koirala, G.P., & Bhattarai, R. (Updated Edition). *Corporate Taxation with Tax Planning*, Kathmandu: Asmita Publication

Regmi, G. N., & Bharati, C. B., (Updated Edition) *Corporate Taxation*, Kathmandu: KEC publication.

Sapkota, P. P., & Sharma, J. (Updated Edition). *Corporate Taxation in Nepal*, Kathmandu: dreamland publication.

Lekhi, R.K. (Updated Edition). *Public Finance*, New Delhi: Kalyani Pbulishers

Prasad, B. (Updated Edition). *Direct Taxes: Laws and Practice*, New Delhi: Vishwa Prakashan.

Singhaniya, V.K. (Updated Edition). *Direct Taxes: Laws and Practice*, New Delhi: Taxman Publication Pvt. Ltd.

# **ACS 203: Corporate Accounting**

**BBA**

*Course: Concentration*

*Lecture hours: 48*

*Full Marks: 100*

*Pass Marks: 50*

## **Course Objectives**

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

## **Course Description**

This course contains various aspects of company accounts, shares and debentures, valuation of goodwill and shares, new trends in accounting and price level changes in accounting.

## **Course Details**

### **Unit 1: Introduction**

**4 LHs**

Corporate accounting: concept, objectives, importance and limitations, steps involved in corporate accounting; Corporate Financial Reporting: requirements of corporate reporting, recent trends in financial reporting; Corporate social responsibility; Accounting Standards: Concept, need, nature, issues and classification; Nepalese Accounting Standards (NAS), International Accounting Standards (IAS), Relative aspects of NAS and IAS.

**Unit 2: Shares and Debenture****5 LHs**

Share capital: concept, importance, types (equity and preference); Book building, DEMAT shares and employee shares; Concept of share premium, share discount, bonus shares, right shares and underwriting; Redemption and conversion of preference shares

Debentures: concept, importance and types of debentures; concept of debenture premium and debenture discount, redemption and conversion of debentures; Differences between shares and debentures.

**Unit 3: Valuation of Goodwill and Shares****6 LHs**

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

**Unit 4: Various aspects of Company Accounts****15 LHs**

Company expansion through Amalgamation and Absorption: meaning and concept; Purchase consideration: concept and determination; Accounting treatment in the books of both Purchasing and Vendor Company; Preparation of Balance Sheet by Purchasing Company.

Internal and external reconstruction: Meaning, importance, need and accounting treatment & balance sheet after reconstruction.

Expansion through Subsidiary companies and Holding Company: Concept of Holding and Subsidiary Company, preparation of Consolidated Balance Sheet by Holding Company after due consideration of: Pre-acquisition and post-acquisition profit, Minority Interest, Cost of Control/Goodwill or Capital Reserve, Elimination of common transactions, Treatment of contingent liabilities and unrealized profit, Revaluation of assets and liabilities, Dividend from Subsidiary Company and preference shares in subsidiaries.

Corporate Liquidation: Concept and reasons for liquidation procedures of winding up as per Company Act; Liquidator's Final statement of Account: meaning, contents and preparation showing amount realized from assets realized.

**Unit 5: Price Level Changes****10 LHs**

Concept of Price Level Change: Inflation and Deflation; Current Purchasing Power Accounting: Concept and preparation of financial statements after Price Level Adjustments; Current Cost Accounting: Concept and determination: Current Replacement Cost, Net Realizable Value of Assets, Depreciation Adjustment, Holding Gains, Inventory Adjustment, Cost of Sales Adjustment, Monetary Working Capital Adjustment, Gearing Adjustment,

Current Cost Reserve: Preparation of Current Cost Profit and Loss Account, Current Cost Balance Sheet.

**Unit 6: New Trends in Accounting**

**8 LHs**

Human Resource Accounting: Concept, objectives and benefits of HRA, Valuation of Human Resources: Historical Cost Approach, Replacement Cost Approach, Opportunity Cost, Standard Cost Approach, Present Value Approach.

Social Accounting: Concept and approaches, Social responsibilities of business, Measurement of social cost benefit, Social Accounts and Balance Sheet.

Environment Accounting: Concept, needs, scope, forms and elements of environment accounting.

Forensic Accounting: Concept, functions, needs of forensic accounting, detection techniques used in forensic accounting, critical aspects to be followed while conducting forensic accounting.

Sustainable Accounting: Concept, objectives and needs of sustainable accounting

**Suggested Readings:**

Jain, S. P. & Narang, K. L., (2014). *Advanced Accounting*, Vol. 11, Kalyani Publishers, New Delhi.

Shegal, A. (2011). *Fundamentals of Corporate Accounting*, Taxmann publications Pvt. Ltd.

Shukla, Grewal & Gupta, (2017). *Advanced Accounting*, S. Chand and Co., New Delhi

# **ACS 204: Budgeting BBA**

*Nature of course: Core  
LHs: 48*

*Full Marks: 100  
Pass Marks: 50*

**Course Objectives:** This course aims to provide the budgeting systems and their applications, practical and conceptual issues of general budgeting and profit planning position and performance appraisal of business enterprises including financial institutions. It also aims to provide important information to the managers for budgeting purpose and how the organizations are able to generate profit and reduction of costs.

## **Course Description**

This course contains conceptual and theoretical foundation of budgeting: profit planning and control. It also comprises the functional budgets i.e. sales plan, production plan, purchase plan, overhead budget, labour cost budget, cost volume profit analysis, zero based budgeting and flexible budgeting under different levels of activities.

## **Course Details**

### **Unit 1: Conceptual Foundation 3 LHs**

Concept and purpose of budgeting and profit planning and control, essentials of profit planning, Profit planning and control process, Behavioral implications of a PPC program, Application of profit planning and control in manufacturing and non-manufacturing organizations.

### **Unit 2: Planning and Control of Sales 4 LHs**

Concept and purpose of sales planning, Factors consideration in sales planning, Sales budgeting vs. sales forecasting, Long range and short range sales plan, Development of comprehensive sales plan, Components of comprehensive sales plan, Planning sales in a non-manufacturing and manufacturing company.

### **Unit 3: Production Planning and Control of Manufacturing Concern 4 LHs**

Concept and purpose of production planning, Area of production planning, Responsibility for production planning, Factors consideration in production planning, Production budget, Production policies, Computation of inventory.

### **Unit : Planning and Control of Materials Purchase & Usage 4 LHs**

Concept and purposes, Raw material consumption budget, Raw materials purchase budget, Material control, Essentials of material control, Material inventory policy, Performance report

**Unit 5: Planning and Control of Non-Manufacturing Organization** **4 LHs**

Concept and purpose, Merchandise budget, Planning inventory levels, Mark-ups and cost multipliers used in retail companies, Open-to-buy planning.

**Unit 6: Planning and Control of Direct Labour** **4 LHs**

Meaning and objectives, Process of direct labour planning, Sources of standard labour hour, Direct labour cost budget, Control of direct labour cost, Performance report.

**Unit 7: Planning and Controlling Overhead Cost** **6 LHs**

Meaning and types of costs, Cost behaviors, Controllable and non-controllable expenses, Cost reduction and cost control, Planning and controlling of manufacturing expenses, Planning of distribution (selling) expenses, Planning administrative expenses, Preparation of overhead cost budget.

**Unit 8: Planning and Control of Cash** **6 LHs**

Concept and objectives of cash planning, Approaches to develop cash budgeting/planning, Techniques and methods for improving cash position, Control of cash positions.

**Unit 9: Completion of Profit Plan** **8 LHs**

Concept, Planned cost of goods manufactured, Planned cost of goods sold, Planned cash collection and disbursement, Planned Income Statement, Planned Balance Sheet, Zero base budgeting: Meaning and importance of Zero base budgeting (ZBB)

**Unit 10: Use of Cost Volume Profit Analysis in Profit Planning** **5 LHs**

Concept and objectives of cost volume profit analysis; Concept, application and assumptions break even analysis, Special problems in cost volume profit analysis, Economic characteristic of breakeven analysis, Calculation of BEP of single and multiple products.

**Suggested Readings**

Welsch, G. A., Ronald, W. H., & Paul, N. G., (2013), *Budgeting: Profit Planning and Control*, New Delhi: Prentice Hall of India.

Horngren, C. S., Sundem. G. L., Stratton, W.O., Burgstahler & Schatzberg, J., (2019). *Introduction to Management Accounting*, New Delhi: Pearson.

Garrison, R. H., Brewer, P. C., & Noreen, E. W. (2017). *Managerial Accounting*, McGraw-Hill Companies, Inc.

# **ACS 207: Accounting for Insurance**

## **BBA**

*Nature of course: Core*  
*LHs: 48*

*Full Marks: 100*  
*Pass Marks: 50*

### **Course Objectives**

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

### **Course Description**

This course contains introduction, accounting for premium, accounting for reinsurance, accounting for claim, accounting for management expenses, accounting for treasury management, concept of actuarial valuation, use of technology in insurance sector, product design and development, internal control and compliance, accounting for control, preparation of financial statements and analysis thereon.

### **Course Details**

#### **Unit 1: Introduction**

**3 LHs**

Concept of insurance, Types of Insurance: life insurance, general insurance, reinsurance and micro insurance; Regulatory body (Nepal Insurance Authority); Evolution of insurance industry, development of insurance industry in Nepal; Meaning, nature, objectives, importance and functions of insurance; Opportunities and challenges of Insurance Sector in Nepal;

#### **Unit 2: Nepal Insurance Authority**

**3 LHs**

Function, duties and power of the insurance authority, role of insurance authority in development of insurance sector in Nepal; Licensing of insurance business, reinsurance business, agency, brokers and surveyors.

#### **Unit 3: Product Design and Development**

**8 LHs**

Designing of life insurance products: Term insurance, term insurance with return of premium, Unit linked insurance plans, Endowment plans, Money back policy, Whole life insurance, Group life insurance, child insurance plans, Retirement plans.

Non-life Insurance products: Motor insurance, Health insurance, Marine insurance, Aviation insurance, Engineering insurance, Property insurance, Travel insurance,

Miscellaneous insurance, crop and cattle insurance; Approval procedures, role of actuary; Marketing strategies, Agency management, Appointment procedures of surveyors. Agent commission and surveyors fee and accounting treatment thereon.

**Unit 4: Basic Accounting Concepts**

**4 LHs**

Basic accounting principles, assumptions and conventions, accounting rules and classifications of accounts, procedures, functions and users of accounting; double entry system of book keeping, journal, ledger and trial balance.

**Unit 5: Non-Life Insurance Business**

**6 LHs**

Terms and techniques used in insurance, their computation and accounting: Underwriting results, premium register, written premium, earned premium, unearned premium, gross premium, net premium, , co-insurance, reserving in general insurance, technical reserves, unexpired risk reserves, claim register, claim and claim handling costs, intimated claim, gross claim, claim recovery, net claim, outstanding claim, incurred claim, incurred but not reported claim, reinsurance premium ceded and accepted, acquisition cost, deferred acquisition cost, net commission agent commission, reinsurance commission and profit commission service charge(regulation fee) to Insurance Authority allocation of management expense, investment and other income, catastrophic premium etc.,

**Unit 6: Life Insurance Business**

**6 LHs**

Terms and techniques used in life their computation and accounting: Life Insurance fund, policy register, Types of premium from determination perspective: Gross premium vs. Net premium, office premium/level premium, Types of premium from accounting perspective: First premium, renewal premium, first year premium, single premium, collection of deposit and advance premium, agents commission and incentive commission, medical examination fee, Concept of claim procedures , claim register, Accounting for claim: Maturity claim , partial maturity claim, surrender claim , death claim, paid up value, annuity payments, netting of claims, Bonus paid to policyholder, tax treatment as final withholding tax, accounting for claim receivable from Reinsurance and claim paid to other insurance company.

Accounting treatment of outstanding claim (including IBNR and IBNER). Accounting process for loan against policies, allocation of management expense, investment and other income, catastrophic premium etc., service charge (regulation fee) to Insurance Authority, reserving in life insurance.

**Unit 7: Accounting for Reinsurance**

**5 LHs**

Concept and importance; various types of reinsurance arrangements: facultative reinsurance and treaty reinsurance, Advantages and disadvantages of reinsurance, reinsurance regulation in Nepal, Characteristics of reinsurance accounting, reinsurance

accounting system, Catastrophic reinsurance, Bordeaux. Accounting treatment of premium ceded and accepted, reinsurance claim receivable and payable and final settlement made thereon, reinsurance commission and profit commission, impact of foreign exchange thereon.

**Unit 8: Internal Control mechanism**

**3 LHs**

Reconciliation of transactions with banks, reinsurer and other parties; Preparation of bank reconciliation statement for the transaction with bank. Audit committee, Compliance Department, Authority Internal Audit , Statutory Audit and Tax Audit.

**Unit 9: Preparation of Financial Statements**

**6 LHs**

Regulations on insurance accounting, concept and importance; Statement of profit and loss and other comprehensive income (Income statement); Statement of Revenue account, Statement of financial position/balance sheet; Statement of cash flow statement; Statement of changes in equity, summary of significant accounting policies and notes to account.

**Unit 10: Financial Statements Analysis**

**4 LHs**

Concepts and importance; Ratio analysis: concept, importance and limitations; Different ratio analysis tools (liquidity, solvency, efficiency and profitability) and their interpretation

**Suggested Readings:**

Guria,R. C., Chakraborty A. K., . Sekar A.R & Pani B. (2010) *General Insurance Accounts Preparation And Regulation Of Investment*, Insurance Institute of India .

Gupta, R.L. & Radhaswamy, M. (2008) *Advanced Accounting*, New Delhi: S. Chand and Sons. Life Insurance Finance, Insurance Institute of India G- Block, Plot No. C-46, Bandra Kurla Complex, Bandra (E), Mumbai – 400 051

# **BNK 203: Working Capital Management**

*Credits: 3*  
*Lecture Hours: 48*

## **Course Objective**

The course aims to provide the students with the basic understanding of concepts, tools and techniques of working capital management and develop skill to apply them in real life situations with special reference to corporate entities of Nepal.

## **Course Description**

The course deals with nature and sources of working capital, working capital policies and how firms choose working capital investment and financing policies. The course also deals with the management of the components of working capital - cash and marketable securities, receivables and inventories.

## **Course Details**

### **Unit 1: Introduction**

**4 LHs**

Concept and nature of working capital; Types of working capital; Components of working capital; Importance of working capital; Determinants of working capital; Concept of working capital management; Importance of working capital management; Issues in working capital management; Management of working capital in Nepal.

### **Unit 2: Working Capital Policy**

**4 LHs**

Overview of working capital policy; Risk-return tradeoff in working capital management; Working capital investment and financing policies: alternative current assets investment policies-restricted, relaxed and moderate policies; alternative current financing policy-maturity matching or self-liquidating, aggressive and conservative approaches; Choosing working capital investment and financing policy.

### **Unit 3: Working Capital Planning and Control**

**8 LHs**

Overview of working capital planning and control; Concept of working capital cash flow cycle; Computation of cash conversion cycle; Determination of working capital; Working capital management ratios: ratios measuring liquidity, structure, and efficiency; Working capital and inflation.

### **Unit 4: Cash and Marketable Securities Management**

**10 LHs**

Overview of cash and marketable securities management; Motives for holding cash; Advantages of holding adequate cash and near-cash assets; Cash management techniques: cash flow synchronization, check clearing process, using float, acceleration of receipt, disbursement control, transfer mechanism; Matching the cost and benefits of cash management; Cash planning and forecasting: preparation of cash budget; Determining the optimum cash balance under certainty: Boumol's model; Optimum cash balance under uncertainty: Miller-Orr model; Meaning and characteristics of marketable securities; Rational for holding marketable securities; types of marketable securities; Criteria for selecting marketable securities.

**Unit 5: Receivable Management****7 LHs**

Overview of receivable management; Significance of receivable management; Role of credit manager; costs of maintaining receivables; Accumulation of receivables; Credit policy: credit standard, cash discount, credit standard, collection policy; Other factors influencing credit policy; Monitoring accounts receivables: days' sales outstanding and aging schedule; Role of the credit manager; Analyzing the changes in the credit policy variables.

**Unit 6: Inventory Management****7 LHs**

Overview of inventory management; Types of inventory; Need to hold inventories; Significance of inventory management; Determining the inventory investment; Inventory cost: carrying cost, ordering costs, total inventory costs; The optimum order quantity: economic order quantity; reorder point, reorder point, safety stock and goods in transit; Inventory control system: ABC system; JIT system; Computerized system, Outsourcing.

**Unit 7: Working Capital Financing****8 LHs**

Nature of working capital financing; Short-term versus long-term financing; Sources of short term financing: accruals, trade credit, bank loan, commercial papers, accounts receivable financing (pledging and factoring), inventory financing (floating lien, chattel mortgage, trust receipt loan and warehouse financing); Cost of sources of short-term financing; Factors to be considered in working capital financing.

**Suggested Readings**

Besley, S. & Brigham, E. F. *Essentials of managerial finance*. New York: Harcourt Brace College Publishers.

Ross, S. A., Westerfield, R. W. & Jordon, B. D. *Fundamentals of corporate finance*. New Delhi: Tata McGraw Hill.

Van Horne, J. C. & Wachowich, J. M. *Fundamentals of financial management*. New Delhi: Prentice Hall Inc.

Bhalla, B. K. *Working Capital Management*. New Delhi, S Chand and Company Limited

# **BNK 204: Investment Analysis**

*Credits: 3*

*Lecture Hours: 48*

## **Course Objectives**

The aim of this course is to provide students the fundamental knowledge on investing in securities. Specifically, it aims at enabling students to understand financial markets, estimate risk and return from the securities, appraise them to form portfolio for investment, and analyze the economy and the industry in which they make an investment.

## **Course Description**

This course begins with a broad overview of investment environment and describes financial instruments and their markets. Then it deals with the risk and return of an individual asset as well as that of portfolios, and the selection of optimal portfolio. It discusses how assets are priced by using capital assets pricing model. It also deals with how debt and equity securities are valued for investment decision making purpose, and finally presents the framework of analyzing the economy and the industry in which investments are made and basics of technical analysis.

## **Course Details**

### **Unit 1: Investment Environment**

**5 LHs**

Meaning of investment; The investment process; Real assets and financial assets; Types of financial assets; Financial intermediaries; Financial markets; Efficient markets; Major players in the financial markets; Ethical issues in investing.

### **Unit 2: Securities Markets**

**8 LHs**

Concept and types of securities markets; Trading of securities; Types of markets; Types of orders; Trading mechanisms; The rise of electronic trading; ECNs; New trading strategies; Globalization of stock markets; Trading costs; Buying on margin; Short sales; Construction of stock market indexes – price-weighted index, value-weighted index, equally-weighted index; Functions of Nepal Stock Exchange; and Role of Nepal Securities Board.

### **Unit 3: Risk and Return**

**7 LHs**

Concepts of risk and return; Measuring investment returns: holding period return, returns over multiple periods, annualizing rates of return, expected return, time series of return; Inflation and real rates of return; Measuring risk: variance, standard deviation, coefficient of variation; and Portfolio return and risk of a portfolio of risky and risk-free assets.

### **Unit 4: Efficient Diversification and CAPM**

**7 LHs**

Diversification and portfolio risk; Asset allocation with two risky assets; Covariance and correlation; The risk-return trade-off with two-risky-assets; The mean-variance criterion; The optimal risky portfolio with a risk-free asset; Efficient diversification with many risky assets; The efficient frontier of risky assets; Choosing the optimal risky portfolio; The Capital Asset Pricing Model: the model, assumptions, implications, and the security market line.

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

Bond pricing; Bond pricing between coupon dates; Bond pricing in excel; Bond yields: yield to maturity, yield to call, realized compound return versus yield to maturity; Bond prices over time; and Yield to maturity versus holding-period return.

**Unit 6: Equity Valuation****5 LHs**

Fundamentals of equity valuations; Intrinsic value versus market price; Dividend discount models: the constant-growth and multistage growth models; Price–earnings ratios; and pitfalls in P/E analysis.

**Unit 7: Macroeconomic and Industry Analysis****5 LHs**

Domestic macro economy; Government policy: fiscal policy and monetary policy; business cycles; Economic indicators; Industry analysis: defining an industry, sensitivity to business cycle, sector rotation, industry lifecycles, and industry structure and performance.

**Unit 8: Technical Analysis****6 LHs**

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

**Suggested Readings**

Bodie, Z., Kane, A., & Alan, J. M. *Essentials of investments*. New York: McGraw Hill.

Reilly, F. K. & Keith, C. B. *Investment analysis and portfolio management*. New Delhi: Cengage Learning.

Gitman, L. J., Joehnk, M. D., & Smart, S. B. *Fundamentals of investing*. New Delhi: Pearson Education.

# **BNK 206: Commercial Bank Management**

**Credits: 3**  
**Lecture Hours: 48**

## **Course Objectives**

This course provides an overview of the management of basic functions of commercial banks in general and Nepalese banks in particular. It helps to understand different functions carried out by commercial banks and risks associated with banking industry.

## **Course Description**

This course contains an introduction to banking industry in Nepal, risks faced by commercial banks, deposit mobilization, granting credit, cash operation, agency services, trade finance, foreign exchange service, treasury function, financial statements and performance indicators and electronic banking services.

## **Course Details**

### **Unit 1: Introduction to Banking Industry in Nepal** **4 LHs**

Concept of commercial bank and commercial bank management; Historical development of commercial bank in Nepal; Functions of commercial banks; Organization structure of Nepalese commercial banks; Role of Internal Audit Department to check up irregular activities; and Regulatory authority of commercial banks in Nepal.

### **Unit 2: Risks Faced by Commercial Banks** **5 LHs**

Concept of risk; Types of risks by commercial bank: interest rate risk, market risk, credit risk, off-balance sheet risk, foreign exchange risk, country risk, technology risk, operational risk, market risk, liquidity risk, and insolvency risk ; Interest rate risk: refinancing risk and reinvestment risk, market value risk; Credit risk: causes of credit risk, firm-specific credit risk and systematic credit risk; and Technology risk and measures to be taken by Nepalese commercial banks to reduce the technology risk .

### **Unit 3: Deposit Mobilization** **6 LHs**

Meaning and nature of bank's deposit; Types of deposit: demand deposit, saving deposit, time deposit, call deposit, and recurrent deposit; Procedure of account opening; Know Your Customer (KYC); Dormant account and procedures of making the dormant account active; Procedures of closing account; Card services: debit card, credit card, prepaid card; Deposit marketing and customer care services; Deposit insurance; and NRB directives on deposit mobilization.

### **Unit 4: Granting Credit** **6 LHs**

Concept and nature of bank credit; Types of credit: term loan, revolving loan, corporate loan, consumer loan, trust receipt loan; Credit process; Credit monitoring and supervision; Credit recovery; Credit marketing; Credit administration; Collaterals and margin: types and valuation; Loan classification and loan allowances, Credit risk and its management; Credit insurance; and NRB directives on loans.

**Unit 5: Cash Operation****4 LHs**

Cash management; Security of vault; Cash insurance; Cash counter; Roles and responsibilities of cashier; Clearing system; Electronic clearing; and Intra-bank and interbank fund transfer.

**Unit 6: Agency Services****3 LHs**

Fund transfer and remittance services; Utility payment services; Advisory services; Standing order from customer; and check and bill clearing services.

**Unit 7: Trade Finance****4 LHs**

Concept, Letter of credit: parties involved in L/C, types, procedures of opening L/C, roles and responsibilities of involved parties; Export financing: pre-shipment and post-shipment finance; and foreign currency loan.

**Unit 8: Foreign Exchange Service****4 LHs**

Meaning and concept; convertible and non-convertible currency; exchange rate system in Nepal; Roles of Foreign Exchange Dealer Association of Nepal (FEDAN); and meaning of Nostro and Vostro accounts.

**Unit 9: Treasury Function****4 LHs**

Introduction; scope of treasury; Back office and Front office; Asset liability management; and Roles and responsibilities of asset liability committee (ALCO).

**Unit 10: Financial Statements and Performance Indicators****4 LHs**

Structure of statement of financial position; Structure of profit or loss account; and Major Performance Indicators of Nepalese Commercial banks.

**Unit 11: Electronic Banking Services****4 LHs**

Meaning and concept of e-banking; Internet banking; Branchless banking; Mobile banking; ABBS; ATM; and Opportunities, threats and challenges in the use of financial technology (FinTech).

**Suggested Readings:**

Rose, P. S. and Hudgins, S. C. *Commercial Bank management*. New York: McGraw-Hill Irwin.

Suresh, P. and Paul, J. *Management of Banking and Financial Services*. Noida: Pearson India Education Services Pvt. Ltd.

Paudel, R. and others *Commercial Bank Management*. Kathmandu: Asmita Books Publishers & Distributors(P) Ltd.

NRB Publications

# **BNK 210: Fundamentals of Cooperative Management**

*Credit: 3*

*Lecture Hours: 48*

## **Course Objective**

This course aims to provide students with a foundation of cooperative operation and management. It also aims to familiarize students with the existing rules and regulations related to cooperatives in Nepal so that they can manage or establish their own cooperatives.

## **Course Description**

Being fundamental in nature, it deals with the basic features, principles, and thoughts of the cooperative. Moreover, the course also includes the functioning of different types of cooperatives, cooperative accounting and auditing, management of cooperatives, and operation of financial cooperatives. Another aspect of the course includes the regulation of cooperatives in Nepal.

## **Course Details**

### **Unit 1: Introduction to Cooperative**

**8 LHs**

Concept of cooperatives; Functions of cooperatives; Difference between cooperatives and other businesses; Cooperative thoughts: Cooperative thoughts of Robert Owen, Charles Fourier, and William King; Raiffeisen Societies, Schulze–Delitzsch Societies. Rochdale model; International cooperative principles; Cooperative values; Role of cooperatives in women empowerment, poverty reduction, resource mobilization, community awareness, and entrepreneurship development.

### **Unit 2: Formation and Types of Cooperatives**

**4 LHs**

Process of registration of cooperative association in Nepal; Major types of cooperatives: producers cooperative, consumer cooperative, worker cooperative, agricultural cooperative, saving and credit cooperative, and multipurpose cooperative.

### **Unit 3: Savings and Credit Cooperatives**

**8 LHs**

Nature of financial cooperatives, saving products, loan products; Lending process: loan application, the decision by executive committee or loan sub-committee, personal guarantee, group guarantee, and collateral system, loan disbursement, repayment system, monitoring, and recovery; Loan loss provision; Agency service in cooperatives: branchless banking service of commercial banks, Bills payment, and money transfer services.

### **Unit 4: Cooperative Accounting and Taxation**

**8 LHs**

Introduction to the cooperative accounting system; Double entry system; Types of accounting ledgers in cooperatives; maintaining daybook, subsidiary ledger books, and trial balance; Major financial statements: income statement and Balance sheet; Reserve funds and other funds; Taxation system for cooperatives in Nepal.

### **Unit 5: Audit and Reporting**

**6 LHs**

Importance of auditing in cooperatives; Internal audit and external auditing in cooperatives; Rights, duties and responsibilities of account supervisory committee of cooperative; Budget practices and their preparation and approval, preparation of reports of internal audit; Preparation of annual report; Performance evaluating using PEARLS system.

**Unit 6: Cooperative Management****10 LHs**

Functions of Management applied to Cooperative; Planning, departmentation, coordination and decision-making process; Types of general meeting: Preliminary general meeting, annual general meeting, and special general meeting; Meeting of executive committee and other sub-committees, staff meeting, meeting operating procedures; Human resource management; Cooperative education and training: meaning and significance of member education, need and importance of cooperative training, institutional arrangements for cooperative training; Office management: Registration, dispatch and correspondence, store management.

**Unit 7: Cooperative Regulation****4 LHs**

Concept of regulation and supervision; need for regulation and supervision; Federal structure of cooperative regulation, major highlights of Cooperative Act 2074 and Cooperative Rules 2075; Cooperative directives.

***Suggested Readings***

Hajela T.N. *Cooperation: Principles, Problems and Practice*. New Delhi: Konark Publishers,

John A. Winfred & Kulandaisamy. V. *History of Cooperative Thought*. Coimbatore: Rainbow Publications.

Kamat, G. S. *New dimensions of cooperative management*. India: Himalayan Publishing House.

Mathur B.S. *Cooperation in India*. India: Sahitya Bhavan Publishers, Agra.

Nakkiran S. *Cooperative Management: Principles and Techniques*. Delhi: Deep & Deep Publication

Paudel, D. G. P. (2022). Sixty-five Years of Nepalese Cooperative Movement. *Available at SSRN 4061643*.

Thakuri, C. B. (2010). *An Anatomy of Cooperative Movement in Nepal*. Kathmandu: Upkar Prakashan.

Cooperative Act 2074

Cooperative Rules 2075

Directives and circulars issued by Division Cooperative

# MKM 201: Consumer Behavior

*Credits::3*  
*Lecture Hours*

## **Course Objectives**

The major objective of this course is to develop students understanding of the buying process of consumer and identify the various factors that influence the buying process.

## **Course Description**

### **Unit-1: Introduction to Consumer Behavior**

**4 LHs**

Concept and nature of consumer behavior. Differences between consumer buying and organizational buying. Application of consumer behavior knowledge in business decisions, marketing management, social marketing, and public policy decisions. Consumer right and movement

### **Unit 2: Consumer Buying Decision Process**

**4 LHs**

Consumer buying decision processes in high-involvement and low involvement purchase. Problem/Need recognition: Types of problems recognition, results of problem recognition, problem recognition under low involvement conditions. Marketing implications of problem recognition: measuring problem recognition, activating problem recognition and utilizing problem recognition information.

### **Unit 3: Information Search**

**5 LHs**

Concept of information search. Types of consumer search activities: pre-purchase search, ongoing search, internal search, external search. The information evaluation process: evaluation criteria, alternatives available, alternative characteristics. Sources of consumer information. Information search in internet. Marketing implications of the information search process.

### **Unit 4: Alternative Evaluation and Choice**

**7 LHs**

Consumer's choice: rational choice, affective choice, attribute based choice, attitude based choice. Criteria for Evaluation and its measurement. Decision rules for attribute-based choices: conjunctive and disjunctive decision rule, elimination-by-aspects decision rule, lexicographic decision rule, compensatory decision rule. Marketing strategies in evaluation and choice.

### **Unit 5: Post Purchase Behavior**

**6 LHs**

Post purchase evaluation: consumer satisfaction and dissatisfaction, consumer complaint behavior. Post purchase dissonance; reasons and remedies. Product disposition: disposition methods and marketing strategies.

## **Unit 6: Individual Determinants of Consumer Behavior**

**9 LHs**

Consumer Motivations: Nature and role of consumer motives. Consumer learning: concept of learning and principal elements of learning. Consumer perception: nature and process of perception. Personality: nature and types of consumer personality, consumer personality and brand personality. Consumer attitude: concept and characteristics of attitude, sources of attitude development.

## **Unit 7: Group and Family influences**

**6 LHs**

Reference group influences: nature and degree of influences, marketing strategies based on reference group influences. Family influences: structure of household, family decision role and family lifecycle.

## **Unit 8: Social and Cultural Influences**

**7 LHs**

Characteristics of culture. Social class influence in consumer behavior. Social classes in Nepal and their consumption behavior. Cultural and sub-cultural influences. Characteristics of culture. Cultural and sub-cultural influences. Nepalese core cultural values and adopted cultural values and their implications in consumer behavior.

### **Suggested Books**

David L. Loudon & Albert J. Della Bitta, *Consumer Behavior*. McGraw-Hill Education,

David L. Mothersbaugh & Del I. Hawkins, *Consumer Behavior*. McGraw-Hill Education, New York.

P. C. Jain & Monika Bhatt, *Consumer Behaviour*. New Delhi: S Chand and Company Pvt. Ltd.

# **MKT 203: Fundamentals of Selling**

Credit Hrs: 3

Lecture Hrs: 48

## **Course Objectives**

This course aims to provide knowledge to the students about effective techniques of selling and developing practical skills in selling job.

## **Course Description**

This course contains introduction, sales people and their characteristics, communication and transactional analysis, knowledge of successful selling, prospecting, sales presentation and dramatization, overcoming objections, closing a Sale and handling customer complaints.

## **Course Content:**

### **Unit 1: Introduction**

**17 LHs**

Concept and nature of selling; Process of selling, Marketing concept and selling ; Role of selling; Opportunities in selling; Theories of selling.

### **Unit 2: Salespeople and Their Characteristics**

Types of sales jobs; Duties and responsibilities of a sales representative; Essential knowledge for successful selling; Qualifications for success in sales job; Challenges in selling job

### **Unit 3: Communication and Selling**      **13 LHs**

Meaning and process of communications; Role of Communications in Selling; Two way communications: listening and questioning; Verbal and non-verbal communications; Transactional analysis

### **Unit 4: Knowledge of Successful Selling**

Reasons for knowledge in selling job; Salespersons' knowledge about the company and its capabilities; Knowledge about company's product; Knowledge about competitors' products; Knowledge about company departments and personnel; Knowledge about pricing, discounts, and credit policies.

### **Unit 5: Prospecting**

Meaning of prospecting; Importance of prospects; Characteristics of a good prospect; Prospecting methods; Process for evaluating and qualifying prospects.

### **Unit 6: Sales Presentation and Dramatization**

Planning the presentation; Types of sales presentation; Dramatizing sales presentation; Power of dramatization; Effective use of selling aids.

### **Unit 7: Overcoming Objections**

Concept and reasons for customer objections; Common objections; Time when customers object; Preparing to meet objections; Effective methods of handling objections.

### **Unit 8: Closing a Sale and Handling Customer Complaints**

Importance of closing a sale; Difficulties in closing a sale; Timing and opportunities for closing the sale; Methods of closing sale effectively; Handling customer complaints.

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

### **Suggested Readings**

Pederson, Carton A., Wright, M.D., and Wright ,B.A. *Selling: Principles and Methods*, India, Richard D. Irwin .

Charkes M Futrell, *Fundamentals of Selling*, New Delhi, Tata McGraw Education Private Limited .

Ramendra Singh., *Sales and Distribution Management*, New Delhi, Vikas Publishing House Private Limited.

# MKM 206: Distribution Management

*Credits: 3*  
*Lecture Hours: 48*

## **Course Objective**

This course aims to students' knowledge and skills in analyzing distribution issues, designing appropriate distribution channels, policies as well as strategies and managing physical distribution and market logistics with special reference to distribution management of Nepal.

## **Course Description**

This course contains introduction to distribution management, fundamentals of marketing channel, classification of marketing channels, managing marketing channels, channel planning and design, supply chain management, physical distribution and logistics management, distribution management in Nepal.

## **Course Details**

### **Unit 1: Introduction**

**4 LHs**

Concept and objective of distribution management; Distribution coverage; Aspects of distribution management: Channel management and physical distribution management.

### **Unit 2: Fundamentals of Marketing Channel**

**6 LHs**

Meaning and role of marketing channels; Channel structure for consumer and industrial goods; Selection of marketing channels; Marketing channel system: vertical, horizontal and multi-channel systems; Power of channels members. Sources of channel power; recent trends in marketing channels: *symbiotic marketing, third party delivery, multi-channel marketing systems, multi-level marketing, channel reduction and elimination, e-marketing, direct marketing, etc.*

### **Unit 3: Classification of Marketing Channels**

**4 LHs**

Wholesaling: role, contributions and classifications; Retailing: role, contributions and classifications; Agent Middlemen: role, contributions and classifications.

### **Unit 4: Managing Marketing Channels**

**6 LHs**

Channel conflicts and coordination; Channel conflicts management; Channel information systems: Meaning, objective and elements of channel information system; Designing a channel information system.

### **Unit 5: Channel Planning and Design**

**7 LHs**

Meaning of channel planning and design; Process of channel planning - *complete understanding of existing channel conditions and challenges, conduct competitor channel analysis, assess opportunities in existing channels, develop a near-term plan of attack, conduct gap analysis, identify and develop strategic options, conduct qualitative and quantitative end-user analysis, develop an ideal channel system*; Types of channel design – vertical, horizontal and hybrid channel; Factors in channel designing - *efficiency, effectiveness, capacity, agility, consistency, reliability, integrity*; Setting channel policies and strategies – *market coverage, customer coverage, pricing, product lines, selection of channel members, termination channel partners, ownership of the channel, legal constraints.*

### **Unit 6: Supply Chain Management**

**7 LHs**

Meaning and flows in supply chain system; Role of purchasing in supply chain system; Value-chain analysis in supply system; Essentials in supply chain management which may bring competitive advantage- *efficient consumer response, category management, continuous replenishment, quick response logistics, handling functional and innovative products, benchmarking.*

### **Unit 7: Physical Distribution and Logistics Management**

**8 LHs**

Meaning of physical distribution and logistics management; Role of physical distribution management in marketing; Value of customer service in logistics management; Physical distribution and logistics functional decisions – ***Transportation Decision*** – concept, functions and role, selection of modes of transportation, transportation strategies, recent trends in transportation; ***Warehousing and Storage Decision*** – concept, functions and role, types of warehouses, warehousing strategies, selection of warehouse; ***Inventory Control*** – concept, function and role, factors influencing inventory level, technique of inventory control; ***Order Processing*** – concept, functions and role, steps in order processing; ***Materials Handling*** – concept, function and role, tools and methods of material handling, ***Logistics Information Management*** – exchange of information between the *seller, carrier and the buyer* from the date of shipment till the goods are received by the buyer; Difference between logistics management and supply chain management.

### **Unit 8: Distribution Management in Nepal**

**6 LHs**

Mode of transportation in Nepal - containers, railways, trucks and lorries, ropeways (including cable cars), airlines, pipelines, etc; Role of government sector in distribution management, including Nepal Food Corporation, Agricultural Inputs Corporation, Salt Trading Corporation and Nepal Oil Corporation; Role of wholesalers and retailers in Nepal's distribution management; Problems and challenges in distribution system of Nepal – *Difficult topography, landlocked character of the country, Scarce domestic productions, import-based economy, lack of proper rules and regulations, geographical concentration of industries and businesses, lack of visionary decisions (short-sidedness decision) with planners and decision makers, etc.*

### **Suggested Books:**

Broxese, Donald, J. Bernard, J. Lalonde and Edward W. Symkay, ***Readings in Physical Distribution Management, Logistics of Marketing***, Mac Millan Co., New York.

Christopher, Marting, ***Logistics and Supply Chain Management***, Financial Times Professional Limited.

Dongals M. Lambert, James R. Stock, Lisa M. Ellram, ***Fundamentals of Logistic Management***, M. C. Gram Hill.

Khanna, K. K., ***Physical Distribution management: Logistical Approach***, Himalayan Publishing house.

Kumar, Dinesh, ***Marketing Channels***, Oxford University Press, New Delhi, 2012.

Stern, El-Ansari and Coughlan, ***Marketing Channels***, Prentice-Hall of India, New Delhi.

# MKM 213: Sales Management

*Credits:3*

*Lecture hours:48*

## **Course Objectives:**

This course aims to develop students understanding in sales management and sales decisions knowledge along with skills for designing sales strategies.

## **Course Description**

This course covers conceptual aspects of marketing and sales management, essentials of effective sales executives, sales organization, sales planning and forecasting, sales force management, channel decisions in sales management, Management of Sales Quotas and Sales Territories, Sales Evaluation and Control.

## **Course Details:**

### **Unit 1: Introduction**

**5 LHs**

Meaning of marketing, Meaning, objectives and importance of sales management, Evolutions of sales management, Sales management and overall performance.

### **Unit 2. Sales Executive**

**5 LHs**

Position of sales executive in the organization structure, Functions of sales executive, Relation of sales executive with top management, and other departments

### **Unit 3: The Sales Organization**

**6 LHs**

Concept and purpose of sales organization, Process of setting up a sales organization:- Defining objectives, Determination of activities and their volume of performance, Grouping activities into positions, Assignment of personnel to positions, Provision for coordination and control. Basic Types of Sales Organization: Line sales organization, Line and Staff sales organization, Functional sales organization, Committee sales organization; Methods of measuring Sales Organization Effectiveness:- sales analysis, marketing cost analysis, classification of marketing expenses, credit control, market share analysis, budgetary control, ratio analysis, management by objectives (MBO);

### **Unit 4: Sales Planning and Forecasting**

**6 LHs**

Concept and importance of sales planning, Types of Sales Planning: Strategic sales planning, Operational sales planning and Tactical sales planning. Components of Sales Planning: Expenditure budget, staff motivation, training and support, and evaluation and control, Sales Forecasting Techniques: Executive opinion, Sales force opinion, Moving average, Regression technique, and Multiple factor index approach.

## **Unit 5: Sales Force Management**

**10 LHs**

Concept of sales force and sales force management, Functions of sales force management. Recruitment: Source, methods of recruitment, Selection: Process, Selection tests:- Formal application form, Interview, Reference and credit checks, Psychological test, Physical test. Training: Defining training aims, Training methods, Evaluating sales training programs. Motivation: Concept of sales force motivation, Motivational help from management, Theories of Motivation, Compensating the sales force: Concept of compensation, Types of compensation plans, Fringe benefits Sales Meetings: Sales Meetings and Sales Contests; Evaluation: Supervising, Controlling and Evaluation of the Sales force performance.

## **Unit 6: Channel Decision in Sales Management**

**6 LHs**

Meaning and elements of distribution, Distribution System: Methods of direct and indirect distribution systems, Types of Channel Members: Types and functions of channel members. Channel Conflict: Reasons of channel conflict; Nature of conflicts and Methods of resolving channel conflicts; Physical Distribution: Physical distribution and logistics management.

## **Unit 7: Management of Sales Quotas and Sales Territories**

**5 LHs**

Concept, Objectives and types of sales quotas, Administering the Quota System, Reasons for not using Sales Quotas; Concept and types of Sales Territory, Reasons for establishing Sales Territories; Reasons for not having Territories; Procedure for setting up Sales Territories.

## **Unit 8: Sales Evaluation and Control**

**5 LHs**

Concept of sales control, Need of Sales Evaluation and Control; Process of Sales Control; Tools of Sales Control and Analysis: Sales audit, Market audit, Sales force expense analysis;

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

Still, Richard R., Cundiff, Edward W., Bovoni, and Norman, A.P., *Sales management: decisions, strategies and cases*, NewDelhi, Prentice Hall of India.

Ramendra Singh., *Sales and Distribution Management*, New Delhi, Vikas Publishing House Private Limited.

# MKT 217: Fundamentals of Advertising

*Credits: 3*  
*Lecture Hours: 48*

## **Course Objectives:**

This course aims to impart knowledge and skill to the students about fundamentals of advertising and help the students in designing advertisements, media planning and scheduling, advertising budgeting, and evaluating the effectiveness of advertisements.

## **Course Description**

This course contains introduction, advertising Department, advertising agencies, creation of advertisements, designing the advertising message, advertising appeals, establishing and allocating advertising budget, advertising effectiveness measurement.

## **Course Details**

### **Unit 1: Introduction**

**5 LHs**

Advertising – concept, features, and objectives; Elements of Advertising; Role of Advertising to Firm, Consumers and Society; Types of Advertisements; Key Players in Advertising Industry; Criticism of Advertising.

### **Unit 2: Advertising Department**

**5 LHs**

Organization for the Advertising Department; Functions of Advertising Department; Functions of the Advertising Manager; and Inter-departmental Relations.

### **Unit 3: advertising agencies**

**4 LHs**

Meaning, Features and Functions of Advertising Agencies; Types of Advertising Agencies and Their Role in Advertising Business; Selection Criteria of Advertising Agency;

### **Unit 4: Creation of advertisements**

**6 LHs**

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

### **Unit 5: Designing the Advertising Message**

**4 LHs**

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

**Unit 6: Advertising Appeals****5 LHs**

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

**Unit 7: Media Planning and Scheduling LH 4**

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

**Unit 8: Establishing and allocating Advertising Budget****4 LHs**

Concept and Need of Advertising Budgeting; Advertising expenses and factors affecting the advertising budget size; Process of Setting the Advertising Budget; Approaches to Advertising Budgeting; Methods for Establishing Advertising Budget - Percentage of Sales Method, Affordable Method, Competitive parity Method, Objective and Task Method.

**Unit 9: Advertising Effectiveness Measurement****6 LHs**

Concept and Importance of Effectiveness Measurement: Effectiveness Testing Areas: Market; Message; Media; Motives and Mission; and Overall Results; Copy Testing: Concept and Methods; Measurement of Overall Effectiveness of Advertising Campaign: PACT & DAGMAR Models.

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

**Reference Books**

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

Jaishri Jethwaney and Shruti Jain, *Advertising Management*, New Delhi: Oxford University Press Sontakki, C. N.: *Advertising*, New Delhi: Kalyani Publishers

Ruchi Gupta. *Advertising Principles and Practice*. New Delhi: S Chand And Company Limited