

Tribhuvan University  
Faculty of Management  
**Office of the Dean**  
Model Question, 2025

Full Marks: 100  
Time : 3 Hour

**BBA/ Seventh Semester/ BNK 206: Commercial Bank Management**

*Candidates are required to give their answers in their own words as far as practicable.*

**Group “A”**

**Brief Answer Questions. [10 x 2 = 20]**

1. Define commercial Bank.
2. State the meaning of dormant account.
3. Mention the any four causes of credit risk.
4. Write the features of credit insurance.
5. Mention any four responsibilities of cashier.
6. State the any four types of agency services.
7. Write the features of bank guarantee.
8. Define Vostro Account with an example.
9. Outline any four functions of back office.
10. Define mobile banking.

**Group “B”**

**Short Answer Questions: Attempt Any SIX questions. [6 x 5 = 30]**

11. Describe the functions of authority of commercial banks of Nepal.
12. What is meant by security in loan agreement? What are the features of security?
13. Describe the process of letter of credit with responsibility of major parties involved in it.
14. Explain the major agencies services provided by the banks.
15. What is foreign exchange risk? How does it impact bank's international operations?
16. Explain the role and responsibilities of Asset Liability Management Committee (ALCO).
17. You are given following information of City bank:

Particular	City bank (Rs in million)
Total Operating Income	Rs 11473
Interest expenses	14422
Impairment charges	1119
Non-interest expenses	4340
taxes	2031

Calculate interest expenses ratio, impairment charge ratio, non-interest expenses ratio, tax expenses ratio

### **Group “C”**

**Long Answer Questions: Attempt any THREE questions.  $[3 \times 10 = 30]$**

18. What is meant by technology risk? Explain its causes and suggest measures to reduce it.
19. What procedure should be followed by a general people to open and close a saving account in a bank? Are there any costs related to these activities?
20. What is the fundamental role of bank credit in financial system, and how does it contribute to economic development?
21. Do you think that innovation in product is necessary for the survival of banks? What are the challenges for banks' to launch innovative products? Explain.

### **Group “D”**

**Comprehensive questions/Case analysis/Situation analysis question:  $[4 \times 5 = 20]$**

22. Sagarmatha bank is a commercial bank and it serves the customers all over the Nepal. This bank provides various types of loan to its institutional as well as individual customers. Its loans include industrial loans to cottage industries, farming, housing and other consumer loans. Bank provides its various services from its branch offices. Bank also selling the deposit products and loan products to its customers through employees by setting some target to each staff. Bank provides the incentive to the employee on the basis of the deposit amount collection and loan product selling. Interest rate of the deposit products is lower than the industry average interest rate. All loans are collateral based loan. Bank provides short term as well as long term loan. Major part of the total loan is long term loans. Bank provides the various types of loan including term loans, bridge gap financing, home loan, mortgage loan, hire purchase loan, loan against shares, loan against gold and silver etc.

While evaluating the financial statement of the bank for past few years, it seems that non-performing loans are increasing and profit is decreasing. Similarly, most of deposits are very short term. On an average, deposit retain for one to six month only. On the other hand, provision for possible loan loss is also increasing. One of the shareholders in annual general meeting pointed out these issues and asked the management of the bank why it is happening so.

You, as an expert, are required to answer the following questions to suggest the management of bank.

Questions:

- a. Is there a problem in deposit collection? If yes, how can it be addressed?
- b. Explain how problem in lending process can be solved.
- c. What are the reasons for increasing non-performing loans? Suggest measures to overcome this problem.
- d. What additional recommendations would you provide to the bank's management regarding lending, collateral, deposit marketing, and the incentive system?

**The end**

**BBA/ Seventh Semester/ BNK 210: Fundamental of  
Cooperatives Management**

*Candidates are required to give their answers in their own words as far as practicable.*

**Group “A”**

**Brief Answer Questions. [10 x 2 = 20]**

1. Write the meaning of cooperative.
2. Mention any four types of cooperatives of Nepal.
3. What are the various types of meeting conducted by cooperatives?
4. Define a multipurpose cooperative.
5. Outline the structure of cooperative regulation.
6. List the types of cooperative accounting ledger.
7. State the loan loss provision made by cooperatives.
8. Mention the loan products of multipurpose cooperatives.
9. What is meant by agency conflict in cooperatives?
10. State the meaning of personal guarantee in cooperatives.

**Group “B”**

**Short Answer Questions: Attempt Any SIX questions. [6 x 5 = 30]**

11. Explain the major cooperative principles.
12. Briefly describe the history of cooperative movements in Nepal.
13. What are the major problems faced by cooperatives in Nepal.
14. Discuss about the prospect of cooperative in Nepal.
15. Why are financial statements important in cooperatives? Explain briefly.
16. Write short notes on the major Cooperative Directives.
17. Briefly explain the Federal structure of cooperatives in Nepal.

**Group “C”**

**Long Answer Questions: Attempt any THREE questions. [3 x 10 = 30]**

18. Define cooperative management. Briefly explain the various types of cooperatives exist in Nepal.

19. Describe each aspect of PEARLS with their importances.
20. Discuss the roles of cooperatives in women empowerment, poverty reduction, resource mobilization, community awareness and entrepreneurship development.
21. Explain governance structure of cooperatives in Nepal. Why is regulation and supervision essential for their effective functioning and sustainability?

### **Group “D”**

#### ***Comprehensive questions/Case analysis/Situation analysis question: [4 x 5 = 20]***

22. Nepal has a long history of cooperative movements aimed at enhancing economic and social development. The cooperative sector plays a crucial role in empowering women, reducing poverty, mobilizing resources, raising community awareness, and fostering entrepreneurship. Various types of cooperatives operate in Nepal, including producer cooperatives, consumer cooperatives, worker cooperatives, agricultural cooperatives, savings and credit cooperatives, and multipurpose cooperatives. The Cooperative Act 2074 and Cooperative Rules 2075 provide the legal framework for regulating and supervising cooperatives in the country.

A newly formed cooperative named "Manakamana Multipurpose Cooperative" was established in a rural district of Nepal to promote financial inclusion and agricultural development. The cooperative primarily engages in savings and credit services, agricultural support programs, and small business financing for women entrepreneurs. Despite its potential, the cooperative faces several challenges, including low financial literacy among members, lack of proper loan monitoring, and difficulties in complying with auditing requirements. The executive committee of the cooperative is concerned about improving governance, financial management, and community engagement to ensure the long-term sustainability of the cooperative.

#### **Questions:**

- a. Identify the main issues in the case and summarize it in your own words. Based on cooperative principles and values, how can Manakamana Multipurpose Cooperative improve member participation and trust?
- b. Suggest strategies to strengthen the loan repayment system and reduce the risk of loan defaults.
- c. Explain the role of cooperative education and training in enhancing management capacity and financial literacy. How can institutional support contribute in this regard?
- d. How do the Cooperative Act 2074 and Cooperative Rules 2075 impact the operations of cooperatives in Nepal? What regulatory measures should the cooperative take to ensure compliance and sustainability?

**The end**

<b>BBA/ Seventh Semester/ BNK 203: Working Capital Management</b>
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*Candidates are required to give their answers in their own words as far as practicable.*

**Group “A”**

**Brief Answer Questions [10 x 2 = 20]**

1. State the meaning of permanent working capital.
2. Write the meaning of conservative policy.
3. State the meaning of lock box system.
4. Write the meaning of inventory conversion period with example.
5. Define safety stock in inventory management.
6. How does nature of business firm affect size of working capital?
7. Outline two differences of long term and short-term financing.
8. The ABC Company is ordering economic order quantity of 1,800 units. The firm maintain the safety stock of 1,000 units. Calculate maximum inventory and average inventory of the company.
9. Sagar Company has just sold an issue of 90-day commercial paper with a face value of Rs 2,000,000. The company has received Rs 1,800,000. Assume 360 days in a year. What effective annual interest rate will the company pay for financing with commercial paper?
10. XYZ firm has a cash balance of Rs. 200,000, debtors of Rs. 100,000, inventory of Rs. 200,000, and current liabilities of Rs. 300,000. Calculate the gross working capital and net working capital of the firm.

**Group “B”**

**Short Answer Questions: Attempt Any SIX questions. [6 x 5 = 30]**

11. Differentiate between permanent current assets and temporary current assets.
12. Explain the importance of working capital management.
13. Describe the elements of credit policy.
14. Everest Battery Company (EBC) is a leading Nepalese producer of automobile batteries. EBC turns out 1,500 batteries a day at a cost of Rs 6 per battery for materials and labor. It takes the firm 22 days to convert raw materials into a battery. EBC allows its customers 40 days in which to pay for the batteries, and the firm generally pays its suppliers in 30 days.
  - a. What is the length of EBC's cash conversion cycle?
  - b. If EBC always produces and sells 1,500 batteries a day, what amount of working capital must it finance?
  - c. By what amount could EBC reduce its working capital financing needs if it was able to stretch its payables deferral period to 35 days?

15. Warrior Industries projects that annual cash usage of Rs.3.75 million will occur uniformly throughout the forthcoming year. Warrior plans to meet these demands for cash by periodically selling marketable securities from its portfolio. The firm's marketable securities are invested to earn 12 percent, and the cost per transaction of converting funds to cash is Rs.40.
- Use the Baumol model to determine the optimal transaction size for transfers from marketable securities to cash.
  - What will be Warrior's average cash balance?
  - How many transfers per year will be required?
16. Shyam Corporation has daily cash balance of Rs. 65,000. A recent analysis of its collections indicated that customer's payments were in the mail an average of 2.5 days. Once received, the payments are processed in 1.5 days. After payments are deposited, it takes an average of 3 days for these receipts to clear the banking system.
- How much collection float (in days) does the firm currently have?
  - If the firm's opportunity cost is 11 percent, would it be economically advisable for the firm to pay an annual fee of Rs. 16,500 to reduce collection float by 3 days? Explain why or why not.
17. The Homemade Bread Company buys and then sells (as bread) 2.6 million bushels of wheat annually. The wheat must be purchased in multiples of 2,000 bushels. Ordering costs, which includes grain elevator removal charges of Rs. 3,500, are Rs. 5,000 per order. Annual carrying costs are 2 percent of the purchase price of Rs.5 per bushel. The company maintains a safety stock of 200,000 bushels. The delivery time is 6 weeks.
- What are the total inventory costs, including the costs of carrying the safety stock?
  - At what inventory level should a reorder be placed to prevent having to draw on the safety stock?

### Group "C"

**Long Answer Questions: Attempt any THREE questions. [3 x 10 = 30]**

18. Explain the determinants of size of working capital of a manufacturing firm.
19. Suppose a firm makes purchases of Rs.3.65 million per year under terms of 2 / 10, net 30 and takes discounts.
- What is the average amount of accounts payable net of discounts? (Assume that the Rs.3.65 million of purchases is net of discounts – that is, gross purchases are Rs.3, 724,490, discounts are Rs.74, 490, and net purchases are Rs. 3.65 million. Also, use 365 days in a year.)
  - Is there a cost of the trade credit the firm uses?
  - If the firm did not take discounts but it did pay on the due date, what would be its average payables and the cost of this non-free trade credit?
  - What would its cost of not taking discounts be if it could stretch its payments to 40 days?
20. Prepare a Cash Budget for the Asian Manufacturing Company for three months of May, June and July. The company has a policy of maintaining a minimum cash balance of Rs. 30,000. The company's cash balance as on 30 April is Rs 30,000.

	Actual Sales (Rs)		Estimated Sales (Rs)
January	75,500	May	105,000
February	75,000	June	120,000

March	90,000	July	150,000
April	90,000	August	150,000

Consider the following additional information:

- Cash Sales are 60 percent of the total sales. The remaining sales are collected equally during the following two months.
- Cost of goods manufactured is 75 percent of sales, 80 percent of this cost is paid after one month and the balance is paid after two months of the cost incurrence.
- Fixed operating expenses are Rs. 15,000 per month. Variable operating expenses are 10 percent of sales each month.
- Half yearly interest on 12 percent Rs 4,50,000 debentures is paid during July.
- Rs 60,000 are expected to be invested in fixed assets during June.
- An advance tax of Rs 15,000 will be paid in July.

You are also required to determine whether or not borrowing will be necessary during the period and if yes, when and for how much.

- Kalika Manufacturing needs an additional Rs 100,000. The financial manager is considering two methods of obtaining this money: a loan from a commercial bank or a factoring arrangement. The bank charges 12 percent per annum interest, discount basis. It also requires a 15 percent compensating balance. The factor is willing to purchase Kalika's accounts receivable and to advance the invoice amount less a 3 percent factoring commission on the invoices purchased each month. (All sales are on 30-day terms.) A 10 percent annual interest rate will be charged on the total invoice price and deducted in advance. Also, under the factoring agreement, Kalika can eliminate its credit department and reduce credit expenses by Rs 2,000 per month. Bad debt losses of 10 percent on the factored amount can also be avoided.
  - How much should the bank loan be in order to net Rs 100,000? How much accounts receivable should be factored to net Rs 100,000?
  - What are the annual total rupee costs, associated with each financing arrangement?
  - Discuss some considerations other than cost that may influence management's choice between factoring and a commercial bank loan.

### Group “D”

**Comprehensive questions/Case analysis/Situation analysis question: [4 x 5 = 20]**

- Carefully read the following case and answer the questions given below:

You have just completed BBA with finance specialization. You are appointed as credit manager by the Chair Person of Delta Electronic Corporation (DEC) to advise to the Chief Financial Officer (CFO) about the credit sales and receivables management. At present, DEC expects to have sales of Rs 10 million this year under its current operating policies. Its variable costs as a percentage of sales are 80 percent, and its required rate of return is 16 percent. Currently, DEC's credit policy is net 25 (no discount for early payment). However, its DSO is 30 days, and its bad debt loss percentage is 2 percent. DEC spends Rs. 50,000 per year to collect receivables, and its marginal tax rate is 40 percent.

As the credit manager of DEC, you are considering two alternative proposals for changing DEC's credit policy to suggest to the CFO for the betterment of credit decisions.

Your first proposal is to lengthen the credit period from net 25 to net 30. Collection expenditures will remain constant. Under this proposal, sales are expected to increase by Rs 1 million annually, and the bad debt loss percentage on new sales is expected to rise to 4 percent (the loss percentage on old sales should not change). In addition, the DSO is expected to increase from 30 days to 45 days on all sales.

Your second proposal is to shorten the credit period from net 25 to net 20. Again, collection expenses will

remain constant. The anticipated effects of this change are a decrease in sales of Rs. 1 million per year, a decline in the DSO from 30 days to 22 days, and a decline in the bad debt loss percentage to 1 percent on all sales.

**Questions:**

- a. What is the net income of DEC at present credit policy?
- b. What is the change in net income if DEC accept your first proposal and uses relaxed credit policy?
- c. What is the change in net income if DEC accept your second proposal and follow the restricted credit policy?
- d. Based on your estimation of change in net income of above your proposals, should DEC change the credit policy? Describe the role of credit manager of a firm.

**The end**



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Model Question, 2025

Full Marks: 100  
Time : 3 Hour

<b>BBA/ Seventh Semester/ BNK 204: Investment Analysis</b>
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*Candidates are required to give their answers in their own words as far as practicable.*

**Group “A”**

**Brief Answer Questions. [10 x 2 = 20]**

1. State the meaning of investment.
2. How does financial assets differ from real assets?
3. Write notes on value weighted index.
4. State the meaning of primary market.
5. List out the any three assumptions of CAPM.
6. State the meaning of fiscal policy.
7. List out any two lagging economic indicators.
8. ABC Company has maintained a dividend of Rs 20 per share for many years. The same dividend is expected to be paid in the future. If investors require a 10 percent rate of return on similar investments, determine the present value of the company's stock.
9. Rabi has deposited Rs 500,000 in a margin account with a brokerage firm. If the initial margin requirement is 50%, what is the maximum rupee amount of stock that Rabi can purchase on margin?
10. A year ago, Mahesh purchased 100 shares of common stock for Rs 200 per share. During the year, the value of his stock decreased to Rs 180 per share. If the stock paid a Rs 10 dividend during the year, what yield did Mahesh earn on his investment?

**Group “B”**

**Short Answer Questions: Attempt Any SIX questions. [6 x 5 = 30]**

11. Briefly explain the players of the financial system.
12. Security analysis consists of technical and fundamental analysis. How do you differentiate these two?
13. Discuss the factors affecting domestic macro economy.
14. Suppose the rate of return on short-term government securities (perceived to be risk free) is about 4%. Suppose also that the expected rate of return required by the market for a portfolio with a beta of 1 is 12%. According to the capital asset pricing model:
  - a. What is the expected rate of return on the market portfolio?
  - b. What would be the expected rate of return on a stock with zero beta stock?
  - c. Suppose you consider buying a share of stock at Rs 40. The stock is expected to pay a dividend of Rs 3 next year and to sell then for Rs 41. The stock risk has been evaluated at  $\beta = 0.5$ . Is the stock overpriced or underpriced?
15. Suppose that expected return on a risky portfolio is 15 percent with standard deviation of 22 percent, and the risk-free rate is 7 percent.

- a. If you invest 50 percent of your wealth in this risky portfolio and the rest in risk-free asset, what are the expected return and standard deviation of your overall portfolio?
  - b. What is the slope of CAL?
  - c. Suppose your investment budget is Rs 300,000 and you borrow an additional Rs 120,000 at 7 percent to invest the total available funds in the risky asset. What are the expected return and standard deviation of this leveraged portfolio? Is the slope of CAL same or different? Why?
16. Mr. Pandey, a financial analyst for Gandaki Noodles Pvt. Ltd., wishes to estimate the rate of return for two similar risk investments- ABC and XYZ. Pandey's research indicates that the immediate past returns will act as reasonable estimates of future returns. A year earlier, investment ABC had a market value of Rs 120,000 and investment XYZ, of Rs 155,000. During the year, investment ABC generated cash flow of Rs 15,000 and investment XYZ generated cash flow of Rs 16,800. The current market values of investments ABC and XYZ are Rs 130,000 and Rs 185,000 respectively.
- a. Calculate the expected holding period rate of return on investment ABC and XYZ using the most recent year's data.
  - b. If the two investments are equally risky, which one should Mr. Pandey recommends? Why?
17. Securities Board of Nepal (SEBON) is planning to allow stock trading on margin account. Initially, SEBON wishes to regulate initial margin and maintenance margin, hence has proposed 50 percent initial margin and 30 percent maintenance margin. Suppose you want to open an account with your broker and short sold 100 stocks of Mechi Bank Limited (MBL) at Rs. 300 per share.
- a. How much proceeds will provide by broker?
  - b. How much cash do you need?
  - c. At what stock price would you receive a margin call?
  - d. If the price of MBL stock increases to Rs. 400, how much must you deposit in your brokerage account to maintain the minimum margin requirement?

### Group "C"

**Long Answer Questions: Attempt any THREE questions.  $[3 \times 10 = 30]$**

18. What do you understand by investment process? Describe the various steps involved in the investment process.
19. Consider the following information.

Stock	Stock price 1-12-2024 (Day 1)	Stock price 2-12-2024 (Day 2)	No of shares outstanding (000)
A	350	375	1000
B	450	440	1500
C	1200	1225	500

- a. Calculate the price weighted index for Day 1 and Day 2 assuming that the divisor was 2.5 on Day 1. What is the percentage change in the index?
  - b. Calculate the value weighted index for Day 1 and Day 2. What is the percentage change in the index?
  - c. Why are the percentage changes different for two indexes?
  - d. What is the major limitation of price weighted index?
20. Three stock analysts, Ram, Laxman and Bharat, are all analyzing the common stock of ABC Company. All three analysts foresee different prospects for company.
- According to Ram, the constant growth rate of dividend of 8 percent, current dividend is Rs 10 per share and required rate of return is 15 percent.

According to the Laxman, industry average P/E ratio of 20 times and current earnings of Rs 30 per share. The growth rate of earnings is 8 percent.

According to Bharat, the value of common stock is Rs 100,000,000, the value of paid in capital is Rs 50,000,000 and value of retained earnings is Rs 50,000,000. The number of shares outstanding is 1,000,000.

**Questions:**

- a. Calculate the value of stock according to Ram. Suggest the strategy for Ram.
  - b. Calculate the value of stock according to Laxman. Suggest the strategy for Laxman.
  - c. Calculate the value of stock according to Bharat. Suggest the strategy for Bharat.
  - d. What is the final price of stock?
  - e. Suggest the final strategy if the stock is traded at Rs 600 per share in the market?
21. An 11 percent coupon bond with Rs 1,000 par value has 15 years maturity and is currently trading at Rs 900 per bond.
- a. What is the actual yield to maturity (YTM) of the bond?
  - b. What is the current yield of the bond?
  - c. What would be the value of the bond if yield to maturity of the bond falls to 10 percent?
  - d. How does yield to maturity affect the value of bond?

**Group “D”**

**Comprehensive questions/Case analysis/Situation analysis question: [4 x 5 = 20]**

22. A pension fund manager is considering three mutual funds. The first is a stock fund, the second is a long-term government and corporate bond fund, and the third is a T-bill money market fund that yields a sure rate of 5.5%. The probability distributions of the risky funds are:

	Expected return	Standard deviation
Stock fund	15%	32%
Bond fund	9	23

The correlation between the fund returns is 0.15.

- a. Tabulate and draw the investment opportunity set of the two risky funds. Use investment proportions for the stock fund of 0 to 100% in increments of 20%. What expected return and standard deviation does your graph show for the minimum variance portfolio?
- b. Draw a tangent from the risk-free rate to the opportunity set. What does your graph show for the expected return and standard deviation of the optimal risky portfolio?
- c. What is the reward-to-variability ratio of the best feasible CAL?
- d. Suppose now that your portfolio must yield an expected return of 12% and be efficient, that is, on the best feasible CAL.
  - i. What is the standard deviation of your portfolio?
  - ii. What is the proportion invested in the T-bill fund and each of the two risky funds?

**The end**

**TRIBHUVAN UNIVERSITY**  
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Model Question , 2025

Full marks:100

Time: 3 hours

<b>BBA Seventh Semester / MKM 201: Consumer Behavior</b>
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*Candidates are required to answer in their own words as far as practicable.*

**Section "A"**

**Brief Answer Questions**

**[10x2=20]**

1. Write the meaning of consumer behavior.
2. Differentiate between high involvement and low involvement purchase.
3. Point out the evaluation criteria.
4. Define rational choice.
5. Give the meaning of consumer dissatisfaction.
6. List out the disposition methods.
7. Write the meaning of consumer learning.
8. Mention any four nature of consumer attitude.
9. Write down the family decision roles.
10. Define culture norms.

**Section "B":**

**Short Answer Questions: (Attempt any SIX Questions)**

**[6x5=30]**

11. Differentiate between consumer buying and organizational buying.
12. Briefly explain the problem recognition under low involvement condition.
13. Explain the information search in the internet.
14. Difference between conjunction decision rule and disjunctive decision rule.
15. What is post-purchase evaluation? Explain the reasons for post-purchase dissonance.
16. Describe the process of consumer perception.
17. Explain the social class hierarchy and consumption behavior in Nepal.

**Section "C"**

**Long Answer Questions: (Attempt any THREE Question)**

**[3x10=30]**

18. Discuss consumer rights and the consumer movement. What are the important guidelines to be followed?

19. How do you know about consumer personality? Explain the Freudian theory and Neo-Freudian theory.
20. What is family influence? Describe the stage of family life cycle.
21. What is cross cultural marketing? Briefly, explain the Nepalese core cultural values.

### **Group "D"**

**Comprehensive Answer/ case/ Situation Analysis Questions:** [4x5=20]

22. Analyze the following case carefully and answer the questions that follow:

#### **"J&J Talcum - Consumer Rights"**

The controversy surrounding Johnson & Johnson's talcum powder highlights fundamental issues in consumer rights and protection. At its core lies the right to safety, which ensures that consumers are protected against products that may pose a risk to their health. The allegations that prolonged use of talcum powder could lead to ovarian cancer directly implicate this right, as consumers were unknowingly exposed to potential harm over long periods. The subsequent cases, particularly the high-profile award of \$72 million in damages to the family of Jacqueline Fox, underline the company's failure to ensure the product's safety and adequately safeguard its consumers.

Similarly, significant is the right to information, which guarantees that consumers are informed about any potential risks associated with the products they use. Internal company documents suggesting that Johnson & Johnson were aware of possible cancer risks but failed to communicate them to the public demonstrate a breach of this principle. Without access to such vital information, consumers were unable to make informed decisions about whether to continue using the products, emphasizing the critical role of transparency in protecting public health.

The case also brings attention to the right to redress, which ensures that consumers can seek compensation for harm caused by defective or unsafe products. Lawsuits filed by victims and their families exemplify the exercise of this right, enabling individuals to hold a corporation accountable and obtain justice for the suffering they endured. These legal actions also serve as a societal check on corporate behavior, reinforcing accountability and deterring negligence.

Finally, the situation touches upon the right to consumer education, which emphasizes empowering individuals with the knowledge necessary to make safe and informed choices. Public debates, media coverage, and activism following the disclosure of internal documents helped raise awareness about product safety and corporate responsibility. This collective education not only informed current and

future consumers about potential hazards but also highlighted the importance of regulatory oversight, ethical corporate conduct, and proactive consumer vigilance.

**Questions:**

- a. How does the Johnson & Johnson talcum powder case illustrate a violation of the right to safety for consumers?
- b. In what ways did the company potentially breach the right to information, and why is this right crucial for consumer protection?
- c. How does the exercise of the right to redress manifest in the lawsuits filed by victims and their families in this case?
- d. What role does the right to consumer education play in preventing harm and promoting accountability in situations like the Johnson & Johnson controversy?

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**Office of the Dean**

**Full Marks: 100**

**Pass Marks: 50**

**Time: 3 Hrs**

**Model Question 2025**

**BBA Seventh Semester / MKM 203: Fundamentals of Selling**

*Candidates are required to answer in their own words as far as practicable.*

**Section "A"**

**Brief Answer Questions**

**[10x2=20]**

23. Give the meaning of selling.
24. Differentiate between selling concept and marketing concept.
25. Point out any four types of sales job.
26. Draw the process of communication.
27. List out knowledge about company departments and personnel.
28. Define prospecting.
29. Mention the importance of presentation planning.
30. Write the meaning of customers' objection.
31. List out any four difficulties in closing sales.
32. Differentiate between listening and questioning.

**Section "B"**

**Short Answer Questions: (Attempt any SIX Questions)**

**[6x5=30]**

33. Describe the mental states approach/AIDA approach.
34. Explain the duties of a sales representative.
35. Differentiate between verbal and non-verbal communication.
36. Describe the reasons for knowledge in selling job
37. Explain the characteristic of good prospects.
38. Describe the types of sales presentation.
39. Explain the importance of closing sales.

**Section "C"**

**Long Answer Questions: (Attempt any THREE Question)**

**[3x10=30]**

40. Explain the challenges in selling job.
41. What is transactional analysis? How it is used to make the communication

effectively.

42. Describe the preparing to meet objections.
43. What is handling customers' complaints? Explain the need for handling customers' complaints.

### **Group "D"**

#### **Comprehensive Answer/ case/ Situation Analysis Questions: [4x5=20]**

44. Analyze the following case carefully and answer the questions that follow:  
TechGear Inc., a mid-sized electronics company, recently launched a new smart-watch called the Smart-Fit Pro. It was designed for fitness enthusiasts and tech-conscious users, featuring a sleek design, a 10-day battery life, and advanced health-tracking functions. Priced at £349, the product was positioned as a premium device. However, despite strong marketing efforts and favorable media reviews, sales did not meet expectations.

On further investigation, the sales team found that many customers were hesitant to make a purchase due to several objections. Some felt the watch was too expensive and did not perceive sufficient value compared with more affordable alternatives. Others stated that they already owned a smart-watch and did not find the Smart-Fit Pro sufficiently different to justify an upgrade. The battery life claim was also met with scepticism, as consumers had previously seen similar promises from other brands fail to deliver. Concerns were also raised about the device being too complicated for those less confident with technology. Finally, doubts about compatibility emerged, particularly among Android users who were uncertain whether the watch would integrate seamlessly with their devices.

To address these concerns, the company undertook several measures. They refined their messaging to better communicate the value of the Smart-Fit Pro and positioned it more clearly against rival models. Easy-to-follow demonstration videos were produced to assist less tech-savvy customers in learning how to operate the device. Real-life testimonials were also shared to reassure potential buyers about its performance, particularly its battery life. In addition, TechGear introduced a trade-in scheme and a 30-day satisfaction guarantee to reduce financial risk for hesitant purchasers. The sales team was trained to listen carefully to customers' doubts and respond with tailored explanations and solutions.

As a result, sales improved significantly in the following quarter. The company also recorded higher customer satisfaction levels, and product return rates declined. This case highlighted that customer objections often stem from uncertainty, confusion, or a lack of information, rather than outright rejection. By addressing the root causes of these objections, TechGear successfully regained momentum and strengthened trust with its customers.

#### **Questions:**

- a. What were the primary reasons behind the customers' objections to purchasing the Smart-Fit Pro smart-watch?



- b. What were the main objections raised by customers about the smart-watch?
- c. How did TechGear address customer concerns to rebuild trust and increase sales?
- d. What lesson does this case highlight about handling customer objections?

**TRIBHUVAN UNIVERSITY**  
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**Model Question 2025**

**Full Marks: 100**

**Pass Marks: 50**

**Time: 3 Hrs**

<b>BBA Seventh Semester / MKM 213: Sales Management</b>
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*Candidates are required to answer in their own words as far as practicable.*

**Section "A"**

**Brief Answer Questions**

**[10x2=20]**

45. Give the meaning of sales management.
46. Write the functions of sales executive
47. Differentiate between line sales organization and functional sales organization.
48. Define management by objectives (MBO).
49. Point out components of sales planning.
50. Write the meaning of fringe benefits with example.
51. Differentiate between salary and commission.
52. Define agent and broker.
53. Give the meaning of sales territory.
54. List out process of sales control.

**Section "B"**

**Short Answer Questions: (Attempt any SIX Questions)**

**[6x5=30]**

55. Explain the importance of sales management.
56. Describe the process of setting up a sales organization.
57. Explain the importance of sales planning.
58. What is straight commission method? Describe its advantages and disadvantages.
59. Explain the reason of channel conflicts of channel conflicts.
60. Describe the reasons for not having territories.
61. Explain the meaning and need for sales control.

**Section "C"**

**Long Answer Questions: (Attempt any THREE Question)**

**[3x10=30]**

62. What do you know about sales executive? Describe the relation of sales executive with other departments.
63. What is a sales force motivation? Explain the theories of motivation.
64. Define the term, 'Physical Distribution' and explain the components of physical distribution.
65. What is sales quota? Describe the reasons for not using sales quotas.

### **Group "D"**

**Comprehensive Answer/ case/ Situation Analysis Questions:** [4x5=20]

66. Analyze the following case carefully and answer the questions that follow:

#### **Role of a Sales Executive in Everest Corporation**

At Everest Corporation, a mid-sized consumer electronics company, the role of the sales executive is of great significance within the organization's hierarchical structure. The company follows a traditional functional structure, with departments such as Sales, Marketing, Production, and Customer Service, each headed by their respective Vice-Presidents, who all report directly to the Chief Executive Officer (CEO). Within the Sales Department, the sales executive reports to the Sales Manager, who in turn reports to the Vice-President of Sales.

The sales executive serves as the primary point of contact with customers. Their responsibilities include identifying new business opportunities, presenting products to potential clients, negotiating sales agreements, and maintaining long-term customer relationships. This role also requires close collaboration with the Marketing Department to ensure that sales strategies are aligned and effective. In addition, the sales executive provides regular updates on sales performance and customer feedback to their manager, thereby contributing to the refinement of sales tactics and product offerings.

Although the position comes with challenges such as achieving ambitious sales targets and coordinating efforts across different departments, clarifying the responsibilities of the sales executive within the organizational structure has led to greater efficiency. By empowering sales executives to concentrate on direct customer engagement and by improving communication with management and marketing, Everest Corporation witnessed a significant rise in sales performance. This example demonstrates how the sales executive acts as a crucial link between the company's product capabilities and market demand, playing a vital role in driving revenue growth while ensuring customer satisfaction.

#### **Questions:**

- a. How does the position of Sales Executive fit within the overall organizational hierarchy at Everest Corporation?
- b. What are the main challenges a Sales Executive might face in coordinating with other departments such as marketing?

c. In what ways can clarifying the Sales Executive's role impact the company's sales performance?

d. Why is effective communication between Sales Executives and Sales Managers important for achieving organizational goals?

**Office of the Dean**

Model Question 2025

**BBA Seventh Semester / MKT 217: Fundamentals of Advertising**

*Candidates are required to answer in their own words as far as practicable.*

**Section "A"**

**Brief Answer Questions**

**[10x2=20]**

67. List out the elements of advertising.
68. Draw the figure of organization by geography.
69. Give the meaning of advertising agencies.
70. Define emotional ad-copy with example.
71. Differentiate between head and heart model.
72. Full form of DAGMAR.
73. Write the meaning of overt sex appeals.
74. Point out the process of media planning.
75. Difference between top-down and bottom-up approach.
76. Give the meaning of copy testing.

**Section "B"**

**Short Answer Questions: (Attempt any SIX Questions)**

**[6x5=30]**

77. What are the differences between product advertising and institutional advertising?
78. Describe the functions of advertising department.
79. Explain the types of advertising agencies.
80. Describe any five different types of advertising copy with suitable examples.
81. What do you know about Unique Selling Propositions (USP)? Explain its three characteristics.
82. How far is the use of sex appeal beneficial in advertising?
83. What factors affect the size of advertising budget? Explain.

**Section "C"**

**Long Answer Questions: (Attempt any THREE Question)**

**[3x10=30]**

84. Describe the selection criteria of an advertising agency.
85. What is advertising layout? Explain the principles of a good advertisement layout.
86. Define the term, 'Effective Advertising Message' and explain the essentials of an effective advertising message.
87. Describe the media selection criteria.

### Group "D"

**Comprehensive Answer/ case/ Situation Analysis Questions:** [4x5=20]

88. Analyze the following case carefully and answer the questions that follow:

#### Ncell's Emotional Advertising Campaigns

Ncell, one of Nepal's leading telecommunications companies, has effectively harnessed emotional advertising to forge strong connections with its customers. Among its most notable campaigns is "*Mero Aakash*" (*My Sky*), which emphasizes the importance of communication in bridging the gap between loved ones separated by distance. The campaign tells the story of a young girl who maintains contact with her father, who works abroad, through Ncell's mobile services. By highlighting universal themes such as love, longing, and family bonds, the advertisement creates a moving narrative that resonates deeply with Nepali audiences, reinforcing Ncell's role as a provider that enables meaningful connections through technology.

Another significant campaign is "*Possible Cha Sabai*", launched in March 2022, which aims to inspire Nepalis to believe that anything is achievable with the aid of digital services. This campaign shares relatable success stories of real people who have transformed their lives through technology, promoting messages of hope, empowerment, and the potential of digital connectivity. It particularly targets younger, tech-savvy audiences by demonstrating how digital services can open up new opportunities and enable personal and professional growth.

Ncell has also promoted the "*Sadhain ON*" (*Always On*) campaign, which focuses on delivering uninterrupted mobile data to ensure customers remain constantly connected. The campaign is designed to provide reassurance and peace of mind, highlighting the reliability and accessibility of Ncell's network across Nepal, even in remote areas.

These emotionally-driven advertising efforts have allowed Ncell to strengthen its brand image as more than just a service provider. By presenting itself as a facilitator of human connection and empowerment

through technology, the company leverages storytelling to cultivate trust, loyalty, and a sense of belonging among its customers. These strategies have had a measurable impact on consumer behavior and have helped Ncell secure a strong market position in the competitive Nepalese telecom sector.

In addition to traditional advertising, Ncell actively employs digital marketing strategies, collaborating with well-known Nepali influencers and celebrities, including Anmol K.C., to enhance brand visibility and engagement on social media platforms such as Facebook, Instagram, and YouTube. This integration of emotional appeal and digital engagement ensures that Ncell connects with consumers on multiple levels, fostering long-term brand loyalty.

### **Questions:**

- a. How does Ncell's "Mero Aakash" campaign use emotional storytelling to connect with its audience?
- b. In what ways does the "Possible Cha Sabai" campaign target younger, tech-savvy Nepalis, and what message does it convey?
- c. How does the "Sadhain ON" campaign reinforce Ncell's brand image and customer trust?
- d. How does Ncell combine emotional advertising with digital marketing to boost loyalty?

TRIBHUVAN UNIVERSITY  
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Model Question , 2025

<b>BBA/ Seven Semester/ ACS 203: Corporate Accounting</b>
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*Candidates are required to give their answer in their own words as far as practicable. Figures in brackets indicate full marks.*

**Group-A**

**Brief answer question**

[10x2=20]

1. What is corporate accounting?
2. Define preference shares.
3. Write down the meaning of minority interest,
4. Write any two objectives of price level accounting?
5. What is liquidation?
6. Following information was provided.  

Opening stock	Rs. 30,000
Closing stock	Rs. 18,000

The price index was 100 for Baishakh and 120 for Chaitra.  
Required: COSA
7. Following information are given from a company.  

Net profit	Rs. 60,000
Capital employed	Rs. 300,000

Average rate of return on capital investment @ 25%  
Required: Amount of super profit
8. Wages and salaries of an employees is Rs. 200,000 each year. Discount rate and efficiency ratio are 10% and 1.4 respectively. Calculate present value of human resource for five years.
9. A company has 30,000 equity shares of Rs.100 each, Rs.80 paid up. The profit before tax is Rs.300,000. The company has a practice of transferring 30% of profit to general reserve every year. The normal rate of return 12% and tax rate is 25%. Calculate value of equity share using earning capacity method.
10. The debtors and creditors of a company as on 31<sup>st</sup> December 2023 and 2024 are:  

	2023	2024
Sundry Debtors (Rs.)	140,000	200,000
Sundry Creditors (Rs.)	110,000	140,000
Index: 1-1-2024	= 100	
31-12-2024	= 120	
Average	= 110	

Required: Amount of monetary working capital adjustment

**Group-B**

**Short answer question (Attempt any Six Questions)**

[6x5=30]

11. What is accounting standard? Why it is needed?  
[2+3]
12. Write down the main functions of forensic accounting.

[2+3]



13. Explain in brief about the Social Accounting with its importance.

[2+3]

14. The following information share capital of Rs.600,000 @ Rs100 each of XYZ Company are

Items	Rs.
Fixed assets	500,000
Current assets	400,000
Goodwill.	60,000
Current liabilities	250,000
10% Debentures	120,000

Net profit for the year was Rs.80,000 out of which 30% was transferred to reserve.

Normal rate of return was 10%.

Required: Value of each equity shares under

a. Net assets method.

b. Yield method.

[3+2]

15. The following information is provided you.

Year	Annual expected remuneration	Accounting Rate of Return	Rate of return in the economy
1	400,000	10	12
2	500,000	12	14
3	600,000	14	16
4	700,000	16	18

Discount rate applicable is 12%.

Required: Present value of HR using Hermanson's adjusted discount of future wages model

16. A Stationary Store performed the following transactions during the year.

Particular	Rs.	Rs.
Sales revenue		600,000
Less: cost of goods sold:		
Beginning inventory	50,000	
Purchases	250,000	
Ending inventory	(60,000)	(240,000)
Gross Profit		360,000
Less: Operating Expenses:		
Administration	80,000	
Selling and Distribution	70,000	
Interest	10,000	
Depreciation	30,000	(190,000)
Net income before tax		170,000
Less: Income Tax		(42,500)
Net income after tax		127,500
Less: Dividend		(17,500)
Net Profit		110,000

Opening and Closing index are 120 & 200. Index was 100 when fixed assets purchased.

**Required:** Current Purchasing Power Income Statement if price level gain was Rs. 10,000

17. A factory provides the following expenses relating to social loss and benefits for the year ending December, 2024.

(i) Expenses made to provide benefits / facilities to the factory employees:

- Expenses relating to medical and hospital facilities Rs. 180,000
- Education with childcare facilities Rs. 70,000
- Housing and transportation facilities with water and electric Rs. 300,000
- Employees career development retirement and leave facilities Rs. 200,000

- (ii) Expenses made to provide community facilities:
- Expenses relating to local and municipality taxes Rs. 100,000
  - Community job enrichment and facility improvement Rs. 170,000
- (iii) Expenses made to provide benefit to general public:
- Expense relating to tax paid to government Rs. 160,000

Cost incurred:

- to factory staff for voluntary work Rs. 70,000
- to factory community because of higher learning cost due to present factory Rs. 50,000
- to general public due consumption of government services Rs. 130,000

Required: Social Income Statement showing net social benefit to different parties

### Group-C

#### Long Answer Question (Attempt any Three questions)

[3x10=30]

18. What is human resource accounting? State various approach used in valuation of human resource.

[3+7]

19. Differentiate between absorption and amalgamation approaches with suitable examples.

20. The Balance Sheet of a company is as follows.

Liabilities	Rs.	Assets	Rs.
Equity share capital of Rs. 100 each	400,000	Land & building	300,000
12% Preference share capital of Rs. 100	200,000	Plant & machinery	400,000
10% Debenture	120,000	Inventory	100,000
Account payable	200,000	Account receivable	80,000
Preferential dividend payable	40,000	Cash	30,000
		P&L account	50,000
	960,000		960,000

The company went into voluntary liquidation. The assets except cash released Rs. 900,000 including on sale of plant & machinery, which was mortgaged against 10% debenture. The liquidator was entitled to remuneration of 6% on value of assets released and 2% on paid to equity shareholders. The cost of liquidation was Rs. 10,000.

Required: Liquidator's Final Statement of Account

21. The following balance sheets of two companies as 30<sup>th</sup> Chaitra 2081.

Liabilities	H Ltd.	S Ltd	Assets	H Ltd.	S Ltd
Share capital of Rs. 100 each	2,000,00	600,000	Fixed assets	2,000,00	800,000
General reserve 1-1-2081	0	100,000	Investment in S Ltd.	0	-
P & L account 1-1-2081	200,000	50,000	Debtors	500,000	120,000
Profit for the year	200,000	150,000	Inventory	200,000	130,000
Creditors	400,000	100,000	Cash at bank	200,000	50,000
	200,000			100,000	
	3,000,00	1,100,00		3,000,00	1,100,00
	0	0		0	0

Other information

(a) H Ltd. purchased on 1<sup>st</sup> Shrawan, 5,000 shares in S Ltd.

(b) Creditors of S Ltd. include Rs. 40,000 for goods supplied by H Ltd. at profit of 10% on sales. Half of the goods were still in stock.

(c) S Ltd. remitted Rs. 20,000 to H Ltd. but received after current year.

Required: (a) Minority Interest (b) Cost of Control (c) Consolidated Balance Sheet

[3+3+4]

### Group-D

#### Comprehensive answer question

[20]

22. The following Balance Sheets of ABC Company as 30<sup>th</sup> Chaitra 2081

Liabilities	Rs.	Assets	Rs.
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40,000 shares of Rs. 10	400,000	Goodwill	20,000
12% Debentures	100,000	Building	300,000
Profit and loss account	70,000	Furniture	50,000
Sundry creditors	30,000	Machinery	100,000
General reserves	20,000	Debtors	50,000
Dividend equalization fund	30,000	Inventory	100,000
		Cash at bank	30,000
	650,000		650,000

The business of ABC Company is absorbed by SS Company on the above date. The terms of absorption are as follows.

- Discharge of debentures at premium 10% by issuing new debentures.
- Payment in cash Rs. 70 per share.
- Exchange four shares in SS Company of Rs.10 each at the market value of Rs. 15 per share for every six shares of ABC Company.
- The cost of liquidation Rs. 10,000.

**Required:**

- (a) Purchase consideration
- (b) Entries to close the books of ABC Company.
- (c) Realization account
- (d) Shareholders account
- (e) Opening Journal entries in the books of SS Company.

<b>Course: BBA / Seventh Semester / ACS 204: Budgeting</b>
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*Candidates are required to give their answer in their own words as far as practicable. Figures in brackets indicate full marks.*

**GROUP-“A”**

Brief Question Answer

[10x2=20]

1. State any two importance of sale planning.
2. Define experience curve.
3. What is fixed Cost?
4. Write any two objectives of budgeting.
5. The following information are given to you:

Fixed cost including depreciation of Rs.30,000	Rs. 90,0000
Variable cost per unit	Rs. 6
Selling price per unit	Rs. 11

Required: Cash BEP

6. The sales department has developed the sales budget for the four months as under.

Months	April	May	June	July
Sales units	8,000	6,000	9,000	8,000

The company policy of keeping inventory of the product at the end of each month is equal to 50% sales of next month.

Required: Production budget for April, May and June

7. The following information is given for a sale of goods of a company.

Total inventories needed Rs.65,000  
Total inventories available Rs.25,000  
Initial make-up on retail 20%  
Required: open-to-buy cost

8. Following information is given to you:

Opening stock	40% of production units
Production	20,000 units
Closing stock	30% of production units

Required: Sales unit

9. ABC Manufacture Company Ltd. sales a single product as:

Total sales for three months are 200,000 units which is apportioned as 35%, 40% and 25% to first three months respectively. The company is expected to be sold at Rs. 20 per unit

Required: Sales budget for three month

10. The Sales for the month of Jan-April are given below:

Months	Jan	Feb	March	April
Sales revenue (Rs)	400,000	300,000	500,000	400,000

The gross profit margin on sales will be 40% and the closing stock of merchandise will be equal to next month's sales need.

Required: Merchandise budget for the month of January, February, and March

**GROUP-“B”**

Short Answer Question

Attempt six questions.

[6x5=30]

11. What is profit planning and control? Also explain its objectives.
12. Explain just in time (JIT) with its implication in profit planning and control.

(2+3).

(2+3)

13. What is performance report? Why it is prepared?

(2+3)

14. The details regarding merchandise for a non-manufacturing company have been presented below:

Planned:	Reduction for the month	Rs.4,000
	Sale for the month	90,000
	Ending balance of merchandise	30,000
Actual:	Reduction to date	2000
	Sale to date	20,000
	Merchandise received to date	28,000
	Beginning inventory	8,000
	Stock on order for delivery	4,000

Required: Open-to-buy at retail showing initial mark-up 20% on cost

15. A manufacturing company produces two products and the sales mixed and other figures are given below.

Products	A	B
Sales mix	3	2
Selling price per unit	Rs. 100	Rs. 200
Variable cost per unit	Rs.80	Rs. 100

The fixed cost of the company for the year Rs.400,000.

Required:

- Overall, BEP sales unit of the company.
- Sales units of the company to earn an after-tax profit of Rs. 150,000, given a tax rate of 25%.

16. The following are the information for X and Y companies:

	Company X	Company Y
Sales	500,000	500,000
Variable cost	200,000	100,000
Fixed cost	100,000	200,000
<b>Profit</b>	<b>200,000</b>	<b>200,000</b>

Required: Evaluate and compare the economic characteristics of the two companies.

17. A company manufactures high-quality goods. The budgeted production units for the first four months are as follows:

Months	Baishakh	Jestha	Ashadh	Shrawan
Production units	3,000	4,000	5,000	7,000

The company's policy is to maintain ending raw material inventories equal to 50% of next month's production need.

Other information are as follows:

Raw materials	Standard usage per unit out output	Cost per unit
A	2 units	Rs.4
B	1 unit	Rs.5

Required: Material purchase budget for the first three months

### GROUP-“C”

Long Answer Questions

Attempt Any Three Questions

(3x10=30)

18. “Zero-based budgeting helps in improving cost control, increasing efficiency by eliminating waste and better alignment with strategic goals,” discuss.

19. “Cost volume profit analysis helps in analyzing the effects of different levels of activity on the financial results of a business,” comments.

20. ABC company manufactures two products A and B. The production plan and direct labour cost are as follows.

<b>Product</b>	<b>Planned Production</b>	<b>Direct Material</b>	<b>Direct Labor</b>
A	5,000	Rs.10,000	Rs.20,000
B	6,000	Rs.15,000	Rs.18,000

It has two producing departments and one service department. The activity base and annual department overhead budget of a company is as follows:

Departments	Activity-Base	Overhead (Rs.)
Product X	Direct Machine Hour [DMH]	40,000
Product Y	Direct Labour Hour [DLH]	42,000
Service	Direct Repair Hour	12,000

The company established the following standard for planning purpose.

Department	Details
Production Department X	- 0.2 DMH for each unit of Product A - 0.3 DMH for each unit of Product B
Production Department Y	- 0.3 DLH for each unit of Product A - 0.4 DLH for each unit of Product B
Service Department	- 0.3 Direct Repair Hour for 1 DMH for Production Department A - 0.2 Direct Repair Hour for 1 DLH for Production Department B

Required:

- Computation of volume of work or activity.
- Overhead rate for production department.
- Total cost of goods manufactured for each product.

21. The following are the information of XYZ Company regarding labour hours and wage rate are:

Department	Standard Hour per Unit	Hourly Wage Rate (Rs)
A	2	10
B	3	12

Production Units Projection and Department A Performance Report

Production Units Projection (January - March)

Month	Production Units
January	5,000
February	6,000
March	8,000

Actual Data for Department A (January)

- Production Units: 5,200
- Direct Labour Hours: 9,360
- Wage Rate per Hour: Rs. 11
- Direct Labour Cost: Rs. 102,960

Required:

- Direct Labour Cost Budget for January, February, and March
- Performance Report of Department A for January.

### GROUP-“D”

Comprehensive answer question

(20)

22. The following information of a company are as follows:

Balance Sheet for the year ended Chaitra 31, 2081

Liabilities	Rs.	Assets	Rs.
Capital	1,100,000	Land and Building	500,000
Profit and loss a/c	106,900	Plant	300,000
Account Payable	110,000	Inventory:	
12% Bonds payable	100,000	- Raw materials (31,200 kg)	62,400
(maturing on Baishakh 31, 2082)		- Finished goods (5,000 units)	150,000
		Account Receivable	379,500
		Cash at bank	25,000

<b>Total</b>	<b>1,416,900</b>	<b>Total</b>	<b>1,416,900</b>
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Sales and Production Schedule for coming three to four months 2082 are:

	<b>Sales in units</b>	<b>Production in units</b>
Baishakh	25,000	26,000
Jestha	30,000	30,000
Ashadh	30,000	32,000
Shrawan	-	32,000

Raw material consumption per unit will be 6kg. of Rs. 2 per kg/

One unit of output will need 4 direct labour hours (DLH) and wage rate per DLH of Rs. 3 will be payable in the same month.

Variable manufacturing overhead per unit will be Rs. 6 due in the same month. The overall annual fixed administrative and selling and distribution expenses will be Rs. 600,000 excluding depreciation (15%) payable on monthly installments.

Other information for inventory, production and sales practices of the firm are:

**Inventory:** Inventory of raw material is estimated to be 20% of the next month's production need.

**Sales:** 50% cash sales and 50% credit sales due next month

**Purchases:** 40% cash purchases and 60% credit purchase due next month.

The firm has finalized to issue 1,000 shares of Rs. 100 each during Ashad.

Minimum cash balance will be Rs.25,000. The firm has pre-arrangement with a commercial bank for loan facility in the multiples of Rs. 2,000 for meeting cash deficiency and repayment in the multiples of Rs. 1,000 plus interest of 9% p.a. on repaid amount. Sales price per unit of Rs. 33 will remain unchanged.

**Required for three months of 2082:**

1. Material purchase budget
2. Cash receipts and disbursements budget
3. Budgeted Income Statement
4. Budgeted Balance Sheet.

TRIBHUVAN UNIVERSITY  
FACULTY OF MANAGEMENT  
BBA 7<sup>TH</sup> SEMESTER  
MODEL QUESTION-

Full Marks 100  
Time 3hrs

***BBA/ Seven Semester/ ACS 201: Taxation in Nepal***

*Candidates are required to give their answer in their own words as far as practicable. Figures in brackets indicate full marks.*

Group-A

Brief answer question

[10x2=20]

- 1) Define a direct tax with example.
- 2) Differentiate between Income and assessment year.
- 3) Describe the term "ASYCUDA".
- 4) Define tax deduction at sources with example.
- 5) Differentiate between tax evasion and tax avoidance.
- 6) XYZ Company has an estimated taxable income of Rs. 500,000 for the current fiscal year. The applicable tax rate is 25 percent. The company fails to pay the estimated tax within the due date (end of Poush) and instead pays it in Falgun of the same fiscal year. **Required:** Compute the estimated tax amount and fees applicable for late payment.
- 7) Manufacturing company, having special nature furnished following details regarding its Block-D depreciable assets as:

Particular	Month	Amount (Rs)
Opening value of machinery	Opening date of the fiscal year	900,000
New addition – Machinery Parts	Month of Bhadra	300,000
New addition – Block D	Month of Chitra	600,000
Opening value sold written down value Rs. 150,000 disposed of Rs. 100,000		

Required: Allowable depreciation and opening written down for the coming year.

- 8) Following information's are provided to you of partnership organization during the previous income year.

Particulars	Amount (Rs)
Assessable income from trading business	800,000
Allowable expenses except research and development	550,000
Previous year cumulative loss	50,000
Research and development cost	125,000

Required: Allowable research and development cost as per section 18 under the ITA, 2058.

- 9) Ramu, a resident of Nepal furnished the following particulars of her income for the previous year.
  - a. Gain on sales of listed shares [five years ago] Rs. 600,000.
  - b. Loss on sales of non-listed shares [two years ago] Rs. 100,000.
  - c. Gain on sales land [6 years ago] Rs. 500,000

Required: Taxable income and capital gain tax.

- 10) A trading organization supplied the following information.

Opening inventory of merchandise of Rs.200,000

Purchase of raw materials Rs. 1,000,000 includes Rs. 100,000 cost of plant and machinery.

Carriage inward cost Rs. 50,000 and office and administration cost Rs. 25,000.

Ending inventory value costing Rs.70,000 but the market value Rs.50,000.

Required: Cost of trading goods.

Group-B

Short answer question (Attempt any Six Questions)

[6x5=30]

- 11) Give a brief historical background of evolution of income tax in Nepal.
- 12) Define Tax Planning and state its main objectives.
- 13) Describe step by step how a taxpayer can file the online final return and submit E-TDS in Nepal.
- 14) Following are the profit and loss position of a businessman for the previous income year:

Years	1	2	3	4	5	6	7	8	9
Profit or (Loss)	(250,000)	(240,000)	(75,000)	(50,000)	100,000	(50,000)	30,000	90,000	675,000

Additional information:

- a. On scrutiny, it revealed that profit of 6<sup>th</sup> year was derived after deducting donation Rs. 30,000 to tax exempt entity.



b. Profit of the 9<sup>th</sup> year was derived before deducting research and development cost Rs. 135,000.

Required: Taxable income of ninth year and explanation wherever is necessary. [4+1]

15) A dealer has imported certain goods from foreign country in Cost Insurance and Freight [CIF] to Calcutta port. The quantity and CIF cost to Calcutta are given below:

Types of products	Quantity	CIF price in US Dollar	Customs rate (%)
a. Shoes- Boys	150 pairs	US\$ 50 per pair	15%
b. Shoes- Ladies	200 Pairs	US\$ 40 per pair	15%
c. Assorted dry foods	100 Kgs	US\$ 10 per kgs	20%

Additional information:

On investigation, it is observed that, the customs officer found that the actual pairs of ladies shoes 10 pairs was not mentioned in the invoice. [1 US Dollar equivalent Rs. 136]

Required: Total transaction amount and customs duty including fine amount as per the rates mentioned above.

16) The following are the operating result of a tax payer during the previous year:

- Income from business domestic country : Rs. 2,50,000
- Income from investment foreign country : Rs. 50,000
- Income from investment domestic country Rs. 1,00,000
- Income from business foreign country: Rs. 1,00,000
- Loss from investment domestic country Rs. 75,000
- Loss from investment foreign country : Rs. 25,000
- Loss from business domestic country Rs. 3,50,000

Required: Statement of set off of losses with explanation wherever is necessary.

17) XYZ special industry producing Whiskey has the following details:

Particulars	Amount (Rs.)
Direct material	400,000
Direct labor cost	100,000
Office & administrative cost	35,000
Selling & distribution cost expenses	15,000
Profit on sales price 20 percent	
Excise duty rate 20 percent	

Required: a. Cost of Whiskey and excise duty paid to government.

### Group-C

Long Answer Question (Attempt any Three questions)

[3x10=30]

18) Self-assessment system is not effective in underdeveloped country like Nepal. Do you agree with this statement?

19) Explain the significance of withholding tax in revenue collection. Discuss five payments which are subject to final withholding in Nepal.

20) Given is the summarized statement of cash pertaining to Doctor, Suman for the previous income year.

Receipts	Amount	Payments	Amount
To Balance b/d - Cash in hand	250,000	By Office rent	125,000
Cash at Bank	100,000	By Repairs and maintenance	15,000
To Patient examination fees	850,000	By Telephone/mobile expenses	30,000
To Patients counselling fees	300,000	By Salary to staff	200,000
To Consultation fees after TDS	170,000	By Life insurance premium (Own)	50,000
To Dividend received	40,000	By Research and development	80,000
To Interest from bank deposit	120,000	By Other office expenses	120,000
To Lottery income received	30,000	By Water/Electricity expenses	30,000
To Other professional incomes	70,000	By Hospitality expenses	20,000
To Income from Visiting fees	200,000	By Insurance premium of office assets	15,000

To Salary received from part time job	170,000	By Staff's welfare expenses	50,000
		By Balance c/d	1,565,000
Total	2,300,000	Total	2,300,000

Further information:

- a. Other professional incomes includes:
  - i. Income from pathological test Rs.35,000
  - ii. Gifts received from patients Rs. 25,000
  - iii. interest on bank deposit Rs. 10,000
- b. Telephone/mobile and Water/electricity expenses are used equally for professional and personal purpose.
- c. Outstanding office salary Rs. 20,000 is yet to be paid.

Required: a. Assessable (Net) income from profession b. Statement of taxable income c. Tax liability.

21) Mr. Sharma submitted the following details during the previous income year as follows.

Particulars	Total incomings (Rs)	Total outgoing (Rs.)
Share of non-listed company	3,00,000	2,00,000
Residential house and land	5,50,000	6,00,000
Share of bank listed	2,08,00,000	1,75,00,000
Pieces of land	45,00,000	42,00,000
Private car	20,00,000	25,00,000

Additional information

- a. The construction of house was complete 7 years ago
- b. Land was purchased 9 years ago.
- c. Assessable income from business was Rs.14,50,000
- d. Both of shares were purchased 2.5 years.
- e. Payment received from natural resources Rs.1,70,000

Required:

1. Total capital gain
2. Assessable income from investment
3. Statement of taxable income
4. Tax liability

#### Group-D

Comprehensive answer question

[20]

22) Trading and Profit & Loss account of a company for the previous income year as follows: .

Particulars	Amount	Particulars	Amount
To Opening stock	250,000	By Sales including VAT Rs. 500,000	10,500,000
To Purchase	6,500,000	By Closing stock	430,000
To Carriage on purchase of raw materials	100,000		
To Wages	400,000		
To Gross profit c/d	3,680,000		
	10,930,000		10,930,000
To Office and administration expenses	300,000	By Gross profit b/d	3,680,000
To salary paid to staff	400,000	By Gain on exchange	100,000
To General expenses	110,000	By Gain on accepting restriction	50,000
To Legal expenses	60,000	By Refund of customs duty	50,000
To Value added tax paid on purchase	200,000	By Bad debt recovered	40,000
To Interest on bank loan	50,000	By Interest on local money transaction (Net)	17,000
To Dividend paid to shareholder	20,000	By Rent from staff quarter	25,000
To Repairs and maintenance expenses	50,000	By Liability foregone by trade creditors	25,000
To Insurance premium of assets	45,000	By Gain on sales of listed shares	100,000
To Pollution control cost	225,000	By Agriculture income received	17,000
To Depreciation of plant & machinery	125,000		
To Bonus paid to staff	110,000		
To Provision for doubtful debt	10,000		
To Donation paid	115,000		
To Advance income tax paid	100,000		
To Gratuity paid to retired staff	50,000		

To Audit fee paid	60,000		
To Net profit	2,070,000		
	4,100,000		4,100,000

**ADDITIONAL INFORMATION:**

- a. Opening as well as closing stocks were overvalued by Rs. 50,000 and Rs. 30,000 respectively.
- b. Purchase includes Rs. 400,000 worth of Plant and Machinery purchased on Ashwin of previous year, opening depreciation base amount of Plant and Machinery was Rs. 100,000. No part of Plant and Machinery was sold during the previous year.
- c. Thirty percent of bad debts recovered were allowed previously.
- d. Donation includes;-
  - i. Paid to tax exempt entity Rs. 40,000
  - ii. Paid to public school Rs. 50,000
  - iii. Paid to beggar Rs. 25,000
- e. General expenses include;-
  - i. Wages paid to workers amount Rs. 40,000 without having permanent account number [PAN].
- f. Legal expenses include;-
  - i. Rs. 20,000 paid to lawyer for legal service of company.
  - ii. Rs. 10,000 paid for income tax appeal.
  - iii. Rs. 10,000 paid for defending the title of business assets.
  - iv. Rs. 20,000 for fine and penalty late payment of NTC bills.

**Required:**

- a. Assessable income from business, taxable income and tax liability.
- b. List out any three expenses which are not deductible while calculating taxable income of a business. [10+5+2+3]

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Model Question , 2025

**BBA/ Seven Semester/ ACS 203: Corporate Accounting**

*Candidates are required to give their answer in their own words as far as practicable. Figures in brackets indicate full marks.*

**Group-A**

**Brief answer question**

**[10x2=20]**

23. What is corporate accounting?
24. Define preference shares.
25. Write down the meaning of minority interest,
26. Write any two objectives of price level accounting?
27. What is liquidation?
28. Following information was provided.  

Opening stock	Rs. 30,000
Closing stock	Rs. 18,000

The price index was 100 for Baishakh and 120 for Chaitra.  
Required: COSA
29. Following information are given from a company.  

Net profit	Rs. 60,000
Capital employed	Rs. 300,000

Average rate of return on capital investment @ 25%  
Required: Amount of super profit
30. Wages and salaries of an employees is Rs. 200,000 each year. Discount rate and efficiency ratio are 10% and 1.4 respectively. Calculate present value of human resource for five years.
31. A company has 30,000 equity shares of Rs.100 each, Rs.80 paid up. The profit before tax is Rs.300,000. The company has a practice of transferring 30% of profit to general reserve every year. The normal rate of return 12% and tax rate is 25%. Calculate value of equity share using earning capacity method.
32. The debtors and creditors of a company as on 31<sup>st</sup> December 2023 and 2024 are:  

	2023	2024
Sundry Debtors (Rs.)	140,000	200,000
Sundry Creditors (Rs.)	110,000	140,000
Index: 1-1-2024	= 100	
31-12-2024	= 120	
Average	= 110	

Required: Amount of monetary working capital adjustment

**Group-B**

**Short answer question (Attempt any Six Questions)**

**[6x5=30]**

33. What is accounting standard? Why it is needed?

[2+3]

34. Write down the main functions of forensic accounting.

[2+3]

35. Explain in brief about the Social Accounting with its importance.

[2+3]

36. The following information share capital of Rs.600,000 @ Rs100 each of XYZ Company are

Items	Rs.
Fixed assets	500,000
Current assets	400,000
Goodwill.	60,000
Current liabilities	250,000
10% Debentures	120,000

Net profit for the year was Rs.80,000 out of which 30% was transferred to reserve.

Normal rate of return was 10%.

Required: Value of each equity shares under

a. Net assets method.

b. Yield method.

[3+2]

37. The following information is provided you.

Year	Annual expected remuneration	Accounting Rate of Return	Rate of return in the economy
1	400,000	10	12
2	500,000	12	14
3	600,000	14	16
4	700,000	16	18

Discount rate applicable is 12%.

Required: Present value of HR using Hermanson's adjusted discount of future wages model

38. A Stationary Store performed the following transactions during the year.

Particular	Rs.	Rs.
Sales revenue		600,000
Less: cost of goods sold:		
Beginning inventory	50,000	
Purchases	250,000	
Ending inventory	(60,000)	(240,000)
Gross Profit		360,000
Less: Operating Expenses:		
Administration	80,000	
Selling and Distribution	70,000	
Interest	10,000	
Depreciation	30,000	(190,000)
Net income before tax		170,000
Less: Income Tax		(42,500)
Net income after tax		127,500
Less: Dividend		(17,500)
Net Profit		110,000

Opening and Closing index are 120 & 200. Index was 100 when fixed assets purchased.

**Required:** Current Purchasing Power Income Statement if price level gain was Rs. 10,000

39. A factory provides the following expenses relating to social loss and benefits for the year ending December, 2024.

(i) Expenses made to provide benefits / facilities to the factory employees:

- Expenses relating to medical and hospital facilities Rs. 180,000
- Education with childcare facilities Rs. 70,000
- Housing and transportation facilities with water and electric Rs. 300,000
- Employees career development retirement and leave facilities Rs. 200,000

(ii) Expenses made to provide community facilities:

- Expenses relating to local and municipality taxes Rs. 100,000
- Community job enrichment and facility improvement Rs. 170,000

(iii) Expenses made to provide benefit to general public:

- Expense relating to tax paid to government Rs. 160,000

Cost incurred:

- to factory staff for voluntary work Rs. 70,000
- to factory community because of higher learning cost due to present factory Rs. 50,000
- to general public due consumption of government services Rs. 130,000

Required: Social Income Statement showing net social benefit to different parties

### Group-C

**Long Answer Question (Attempt any Three questions)**

**[3x10=30]**

40. What is human resource accounting? State various approach used in valuation of human resource.

[3+7]

41. Differentiate between absorption and amalgamation approaches with suitable examples.

42. The Balance Sheet of a company is as follows.

Liabilities	Rs.	Assets	Rs.
Equity share capital of Rs. 100 each	400,000	Land & building	300,000
12% Preference share capital of Rs. 100	200,000	Plant & machinery	400,000
10% Debenture	120,000	Inventory	100,000
Account payable	200,000	Account receivable	80,000
Preferential dividend payable	40,000	Cash	30,000
		P&L account	50,000
	960,000		960,000

The company went into voluntary liquidation. The assets except cash released Rs. 900,000 including on sale of plant & machinery, which was mortgaged against 10% debenture. The liquidator was entitled to remuneration of 6% on value of assets released and 2% on paid to equity shareholders. The cost of liquidation was Rs. 10,000.

Required: Liquidator's Final Statement of Account

43. The following balance sheets of two companies as 30<sup>th</sup> Chaitra 2081.

Liabilities	H Ltd.	S Ltd	Assets	H Ltd.	S Ltd
Share capital of Rs. 100 each	2,000,000	600,000	Fixed assets	2,000,000	800,000
General reserve 1-1-2081	0	100,000	Investment in S Ltd.	0	-
P & L account 1-1-2081	200,000	50,000	Debtors	500,000	120,000
Profit for the year	200,000	150,000	Inventory	200,000	130,000
Creditors	400,000	100,000	Cash at bank	200,000	50,000
	200,000			100,000	
	3,000,000	1,100,000		3,000,000	1,100,000
	0	0		0	0

Other information

(d) H Ltd. purchased on 1<sup>st</sup> Shrawan, 5,000 shares in S Ltd.

(e) Creditors of S Ltd. include Rs. 40,000 for goods supplied by H Ltd. at profit of 10% on sales. Half of the goods were still in stock.

(f) S Ltd. remitted Rs. 20,000 to H Ltd. but received after current year.

Required: (a) Minority Interest (b) Cost of Control (c) Consolidated Balance Sheet

[3+3+4]

### Group-D

**Comprehensive answer question****[20]**44. The following Balance Sheets of ABC Company as 30<sup>th</sup> Chaitra 2081

Liabilities	Rs.	Assets	Rs.
40,000 shares of Rs. 10	400,000	Goodwill	20,000
12% Debentures	100,000	Building	300,000
Profit and loss account	70,000	Furniture	50,000
Sundry creditors	30,000	Machinery	100,000
General reserves	20,000	Debtors	50,000
Dividend equalization fund	30,000	Inventory	100,000
		Cash at bank	30,000
	650,000		650,000

The business of ABC Company is absorbed by SS Company on the above date. The terms of absorption are as follows.

- Discharge of debentures at premium 10% by issuing new debentures.
- Payment in cash Rs. 70 per share.
- Exchange four shares in SS Company of Rs.10 each at the market value of Rs. 15 per share for every six shares of ABC Company.
- The cost of liquidation Rs. 10,000.

**Required:**

- (f) Purchase consideration
- (g) Entries to close the books of ABC Company.
- (h) Realization account
- (i) Shareholders account
- (j) Opening Journal entries in the books of SS Company

**Model Question**

<b>BBA / Seventh Semester / ISM 204: Project Management</b>
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*Candidates are required to answer all the questions in their own words as far as practicable.*

**Group “A”**

***Brief Answer Questions (Attempt ALL Questions)***

***[10 × 2 = 20]***

1. Define a project.
2. List the various stages of a project life cycle.
3. Depict a specimen organization structure of a project organizational structure.
4. State any two circumstances in which matrix organizational structure is useful.
5. Highlight the major limitations of scoring models of project selection.
6. Give the concept of project risk.
7. Mention any four common methods of project cost estimation.
8. What do you mean by critical path in a project network?
9. Mention the different pitfalls that can occur in a project team.
10. State the important decision rules that are used in deciding whether to terminate an ongoing project.

**Group “B”**

***Descriptive Answer Questions (Attempt any SIX questions)***

***[6 × 5 = 30]***

11. Describe the socio-technical approach to project management.
12. Explain how effective project management contributes to achieving strategic objectives of an organization.
13. Describe the four key stages in project risk management and the steps necessary to manage risk.
14. Why is it important to include contingency funding in project cost estimates? Explain.
15. Explain the five stage model of team development.
16. Describe the strategies for developing a high-performance project team.
17. Distinguish among the four main forms of project termination.

**Group “C”**

***Analytical Answer Questions (Attempt any THREE questions)***

***[3 × 10 = 30]***

18. Explain the elements in the project portfolio selection process and discuss how they work in a logical sequence to maximize a portfolio.
19. Explain the various types of project costs and highlight the key differences between them.
20. From the following information, develop an activity-on-node (AON) project network. Complete the forward and backward pass, compute activity slack, and identify the critical path. How many days will the project take?

ID	Description	Predecessor	Time
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A	Survey site	None	2
B	Excavate site	A	4
C	Install power lines	B	3
D	Install drainage	B	5
E	Pour foundation	C, D	3

21. Explain how earned value management (EVM) can be used in project evaluation and control. What are the key issues in the use of EVM?

### Group “D”

#### *Comprehensive Answer Questions/Case Study:*

*[1 × 20= 20]*

22. Read the following study carefully and answer the questions that follow:

Although the name Rolls-Royce is inextricably linked with its ultra-luxurious automobiles, the modern Rolls-Royce operates in an entirely different competitive environment. A leading manufacturer of power systems for aerospace, marine, and power companies, Rolls-Royce’s market is focused on developing jet engines for a variety of uses, both commercial and defense-related. In this market, the company has two principal competitors, General Electric and Pratt & Whitney (owned by United Technologies). There are a limited number of smaller niche players in the jet engine market, but their impact from a technical and commercial perspective is minor. Rolls-Royce, GE, and Pratt & Whitney routinely engage in fierce competition for sales to defense contractors and the commercial aviation industry. The two main airframe manufacturers, Boeing and Airbus, make continual multimillion-dollar purchase decisions that are vital for the ongoing success of the engine makers. Airbus, a private consortium of several European partner companies, has drawn level with Boeing in sales in recent years. Because the cost of a single jet engine, including spare parts, can run to several million dollars, winning large orders from either defense or commercial aircraft builders represents an ongoing challenge for each of the “big three” jet engine manufacturers.

Airlines in developing countries can often be a lucrative but risky market for these firms. Because the countries do not maintain high levels of foreign exchange, it is not unknown, for example, for Rolls-Royce or its competitors to take partial payment in cash with assorted commodities to pay the balance. Hence, a contract with Turkey’s national airline may lead to some monetary payment for Rolls-Royce, along with several tons of pistachios or other trade goods! To maintain their sales and service targets, these jet engine makers routinely resort to creative financing, long-term contracts, or asset-based trading deals. Overall, however, the market for jet engines is projected to continue to expand at huge rates. Rolls-Royce anticipates a 20-year window with a potential market demand of 70,000 engines valued at over \$400 billion in civil aerospace alone. When defense contracts are factored in as well, the revenue projections for jet engine sales are likely to be enormous. As Rolls-Royce sees the future, the single biggest market growth opportunity is in larger, greater thrust engines that are designed to be paired with larger jet aircraft.

Rolls-Royce is currently engaged in a series of strategic decisions with the potential for huge payoffs or significant losses. It is coupling its latest engine technology, the Trent series, with Boeing and Airbus’ focus on more efficient designs. Airbus’ A350 and Boeing’s 777 and 787 are highly popular and strong-selling models designed to maximize the efficient transportation of air travelers at the lowest cost. To gain market share in powering these jets, Rolls-Royce developed the new Trent XWB engine – the world’s most efficient commercial jet engine. Development of the engine started in 2005 when Rolls-Royce’s engineers sat down with Airbus to design an engine powerful

enough to service its A350 XWB (Extra Wide Body) jet, an airframe powered by only two engines. In order for Airbus and Boeing to make their aircraft attractive to airlines, these aircraft must be efficient (that is, cheap to operate) but also powerful enough to carry a large passenger load. The decision to make an initial investment in new engine technology can cost a jet engine manufacturer over \$1 billion in non-recoverable costs. As a result, it is critical that Rolls-Royce and its competition make the right strategic decisions about which aircraft to support. Recall from our project profile at the beginning of the chapter that Rolls-Royce invested in servicing the A380 double-decker airplane, whose disappointing sales may result in its cancellation. This potential cancellation will have a serious impact on Rolls-Royce's bottom line.

Rolls-Royce's decision to pursue engine design efficiency that pairs up with the Airbus and Boeing models represents a strategic choice for the future. Rolls-Royce anticipates that the commercial passenger market will triple in the next 20 years. As a result, future opportunities will involve more economically viable aircraft. Boeing, Airbus and Rolls-Royce have all collectively taken a large financial gamble that their strategic vision of the future is correct.

### **Questions**

1. Who are Rolls-Royce's principal project management stakeholders? How would you design stakeholder management strategies to address their concerns?
2. Given the financial risks inherent in developing a jet engine, make an argument, either pro or con, for Rolls-Royce to develop strategic partnerships with other jet engine manufacturers in a manner similar to Airbus's consortium arrangement. What are the benefits and drawbacks in such an arrangement?



**TRIBHUVAN UNIVERSITY**  
**FACULTY OF MANAGEMENT**  
Office of the Dean

Full Marks: 100  
Pass Marks: 50  
Time: 3 Hrs.

**Model Question**

**BBA / Seventh Semester / MGT 239: Business Ethics and Corporate Governance**

*Candidates are required to answer all the questions in their own words as far as practicable.*

**Group “A”**

***Brief Answer Questions (Attempt ALL Questions)***

***[10 × 2 = 20]***

23. Define business ethics.
24. State any four essential elements of good corporate governance.
25. Give the concept of conflict of interest.
26. What is insider trading?
27. Draw a framework for understanding ethical decision making in business.
28. Highlight the central idea of resource dependency theory of corporate governance.
29. Briefly explain any two features of Japanese model of corporate governance.
30. Why code of ethics is important?
31. State the legal provisions about mandatory spending on CSR in the Industrial Enterprise Act, 2076.
32. List any four features of corporate governance practices in Nepalese family-owned businesses.

**Group “B”**

***Descriptive Answer Questions (Attempt any SIX questions)***

***[6 × 5 = 30]***

33. Explain the causes and consequences of ethical problems in business.
34. Briefly explain about integrity, honesty, and fairness as foundational values for identifying ethical issues in business.
35. Describe the various normative considerations in ethical decision making.
36. Differentiate between agency theory and stewardship theories of corporate governance.
37. Explain the roles of board of directors (BOD) in corporate governance.
38. Highlight the key corporate governance provisions in prevailing Company Act of Nepal.
39. Critically examine the application of Carroll’s corporate social responsibility (CSR) pyramid in the Nepalese context.

**Group “C”**

***Analytical Answer Questions (Attempt any THREE questions)***

***[3 × 10 = 30]***

40. Discuss the various emerging ethical issues and dilemmas in business.

41. Compare and contrast between various models of corporate governance. Which model of corporate governance do you think superior to effectively steer today's large business organizations? Discuss.
42. Describe any two corporate governance failure cases in the global context and highlight the main lessons that can be learnt from these cases.
43. Discuss the critical business ethics issues in Nepal and suggest the way forward to different stakeholders, including the business community and the government, to improve the existing state of affairs.

### **Group "D"**

#### ***Comprehensive Answer Questions/Case Study:***

***[1 × 20= 20]***

44. Read the following study carefully and answer the questions that follow:

Chandani had just been hired as the head of the payroll department at R&S Electronic Service Company, a firm comprising 75 employees. She had been hired by Bikram, the General Manager, who had informed her of the need for maintaining strict confidentiality regarding employee salaries and pay scales. He also told her that he had fired the previous payroll Department Head for breaking that confidentiality by discussing employee salaries. She had also been formally introduced to Asim, the owner, who had told her to see him if she had any questions or problems. Both Asim and Bikram had made her feel welcome.

After three months of employment, Chandani began to wonder why Deepak, a service technician and Bikram's nephew, made so much more in commissions than the other service technicians. She assumed that he must be highly qualified and must work rapidly because she had overheard Asim commending Deepak on his performance on several occasions. She had also noticed Asim, Bikram and Deepak having lunch together frequently.

One day, Bikram gave Chandani the stack of work tickets for the service technicians for the upcoming week. The technicians were to take whatever ticket was on top when they finished the job they were working on. After putting the tickets where they belonged, Chandani remembered that she had a doctor's appointment the next morning and returned to Bikram's office to tell him she would be reporting late for work.

When she entered Bikram's office, she saw Bikram giving Deepak a separate stack of work tickets. As she stood there, Bikram told her that if she mentioned this to anyone, he would fire her. Chandani was upset because she understood that Bikram was giving the easier, high commission work to his nephew. Chandani also realized that Bikram had the authority to hire and fire her. Because she had been at the company for only a short time, she was still a probationary employee. This was her first job since college. She wondered what she should do.

#### **Questions:**

- a. What are the ethical issues in this case?
- b. Is it a good idea to blow the whistle, that is, to let Asim know about unethical practices in the workplace? What may the consequences if Chandani does so?
- c. Is a family business different from other types of businesses with respect to employee treatment? If so, why?
- d. What was Chandani's ethical dilemma? What Chandani should do? Why?

