

# **FIN 512: Financial System in Nepal**

(concentration)

*Credits: 3*

*Lecture Hours: 48*

## **Course Objective**

This course aims to enable students to understand how different components of financial system function and how they are managed in Nepal. The course also aims to familiarize students with emerging issues in financial system of Nepal and enable them to critically analyze these issues.

## **Course Description**

The major topics covered in this course are: Introduction to financial system, the money market, stock market, debt market, derivative market, banks and financial institutions, insurance companies, mutual fund and pension fund, other financial service companies, stability of financial system.

## **Course Details**

### **Unit 1: The Financial System:**

**LH 4**

Formal and informal financial sector, Components of the formal financial system, Financial institutions, Financial markets, Financial instruments, Financial services, Interaction among financial components, Functions of a financial system.

### **Unit 2: The Money Market:**

**LH 5**

Nepalese money market, Role of NRB in money market, Money market instruments in Nepal: Treasury bills-feature, types, importance, Participants in the T-bill market, sale of T-bills, implicit yield, Commercial bills, Certificate of deposits, Call money market, Money market derivatives.

### **Unit 3: Capital Market:**

**LH 10**

Evolution of Nepalese stock market, Primary markets – role of investment banker, pricing of primary securities, public issue, private placement and right issue, Regulatory provisions on primary issues; Secondary market – functions and types, Organization, Management and membership of Nepal Stock Exchange, listing and trading rules, Stock market index, OTC market, Stock market regulation and Nepal Securities Board. Debt Market: Government and corporate debt securities market, innovations in debt market securities. Derivative Market: Development and current status, Regulations of derivative market, Problems and prospects.

### **Unit 4: Banks and Financial Institutions:**

**LH 6**

Incorporation, Major functions, Regulation and supervision of banks and financial institutions by NRB, financial sector reforms, Governance issues and challenges.

### **Unit 5: Insurance Companies:**

**LH 4**

Incorporation, Types of insurance companies, Major functions, Regulation and supervision of insurance companies by Nepal Insurance Board, Governance issues and challenges.

### **Unit 6: Mutual Fund, Pension Fund and other Financial Service Companies:**

**LH 6**

Incorporation, Types of mutual companies, Major functions, Regulation and supervision of mutual fund companies by Nepal Securities Board, Prospects and challenges, Role of pension fund companies and their prospect. Incorporation and functions of Merchant Banks, Credit rating agency, Deposit and Credit Guarantee Corporation, Credit Information Bureau.

**Unit 7: The Stability of Financial System:****LH 5**

Liquidity crisis, Factors that affect stability, Private solutions for bank runs and banking panics, Government solution for bank runs and banking panic, Solutions for market crashes.

**Unit 8: Project Report/ Seminar in Nepalese Financial System****LH 8**

The instructor and the students will finalize the key theme and topic of project work/ seminar which can be an individual or group work. The key theme should be relevant to treasury management in banks. The instructor will provide the rubrics of the project work and the students will prepare and present the report in the class.

**Teaching Learning Strategy**

The pedagogic strategy of this course will include lectures with group and class discussions, lab works, case study analysis and presentations; project works, term paper, etc. Besides, writing theme papers and their presentations will form key activities in project/ seminar unit of the course. Therefore, students will be required to be actively participating in both class and out of class activities. All students will be encouraged to make full use of available print and electronic resources. Prior reading of relevant text is essential for productive discussions in the class.

**Evaluation**

The students will be assessed through continuous (in semester) evaluation carrying 40 percent weight and semester-end examination carrying 60 percentage weight.

**References**

1. Pathak, B., Indian Financial System: Market, Institution and Services, Pearson Education India.
2. Kohn, Meir, Financial Institutions and Markets, Delhi: TataMcGraw-Hill.
3. M. Y. Khan, Financial System in India: Delhi: McGraw Hill Education India.
4. Publications of Nepal Rastra Bank, Nepal Securities Board, Beema Samati, Nepal Stock Exchange.
5. Regulations governing the respective markets and institutions.

# **FIN 513: Investment Analysis and Portfolio Management**

(concentration)

*Credits: 3*  
*Lecture Hours: 48*

## **Course Objective**

The objective of this course is to provide the students with an understanding of the concepts and principles of investment analysis and portfolio management together with a knowledge of the analytical techniques so developing skills in their application required for appraisal of securities and management of investible funds from the view point of the investors – individual as well as institutions particularly in the context of Nepal.

## **Course Description**

This course provides a broad overview of investment analysis and portfolio management that includes investment setting and investment alternatives, organization and functioning of securities markets, market indexes, portfolio theory and assets pricing theory, economic, industry, and company analysis, and derivative markets and securities. The course also offers an opportunity to enhance students' independent/group learning through project work/ seminar.

## **Course Details**

- Unit 1: Investment Setting:** **LH 4**  
Concept of investment, Risk and return relationship, Investment alternatives.
- Unit 2: Organization and Functioning of Securities Market and Market Index** **LH 8**  
Financial market, primary market, secondary market, exchanges and OTC market, Securities market in Nepal, Institutional arrangement and regulatory framework. Use of security market indexes, Stock market indexes, Bond market indexes, Comparison of indexes.
- Unit 3: Portfolio Theory, Assets Pricing and Efficient Capital Markets** **LH 10**  
Markowitz portfolio theory and selection of optimal portfolio, Capital market theory, Assets pricing models – capital asset pricing model and arbitrage model. Alternative efficient hypothesis, Tests and their implications.
- Unit 4: Macro analysis and the Stock Market:** **LH 4**  
Component of market analysis, Macro market analysis, Micro valuation analysis, valuation using earning multiplier.
- Unit 5: Industry Analysis:** **LH 4**  
Need of industry analysis, Business cycle and industry sectors, evaluating the industry life cycle, analysis of industry competition, industry analysis using the relative valuation approach.
- Unit 6: Company Analysis:** **LH 5**  
Company analysis versus stock valuation, Economic, industry and structural links to company analysis, company analysis, Estimating company per share and multipliers, Additional measures of relative value.
- Unit 7: Derivative Markets and Securities:** **LH 5**  
Overview of derivative markets, investing with derivative securities, Relationship between forward and option contracts, Use of derivatives in portfolio management, overview of option markets and contract, fundamentals of option valuation.

**Unit 8: Project Work/ Seminar:****LH 8**

The instructor and the students will finalize the key theme and topic of project work/ seminar which can be an individual or group work. The instructor will provide the rubrics of the project work/ seminar and the students will prepare and present in the class.

**Teaching Learning Strategy**

The pedagogic strategy of this course will include lectures with group and class discussions, lab works, case study analysis and presentations; project works, term paper, etc. Besides, writing theme papers and their presentations will form key activities in project work/ seminar unit of the course. Therefore, students will be required to be actively participating in both class and out of class activities. All students will be encouraged to make full use of available print and electronic resources. Prior reading of relevant text is essential for productive discussions in the class.

**Evaluation**

The students will be assessed through continuous (in semester) evaluation carrying 40 percent weight and semester-end examination carrying 60 percentage weight

**Part 6: Test Books and References****Basic text-books:**

Frank K Reilly and Keith C. Brown, *Investment Analysis and Portfolio Management*, South-Western Cengage Learning.

Bodie, Ziv, Alex Kane, Marcus, Alan J. and Mohanty, Pitabas. *Investments*, New Delhi: Tata McGraw Hill Education Private Limited

**References:**

Sharpe, William F., Alexander, Gordon J. and Belly, Jeffery W. *Investments*, New Delhi: Prentice Hall of India. Annual Reports of Nepal Securities Board and Nepal Stock Exchange.

# **FIN 514: Financial Institutions and Markets**

(concentration)

*Full Marks: 100*  
*Pass Marks: 55*

*Credits: 3*  
*Lecture Hours: 48*

## **Course Objective**

The course aims to provide the students overall understanding on the financial markets and institutions in general and on interest rate theories, money and capital markets, money and capital market instruments, central bank, monetary policy and interest rates, commercial banking industry and other contemporary issues of financial markets and institutions in particular. The course also aims to familiarize students with current issues on financial institutions and financial markets and enable them to critically analyze these issues.

## **Course Description**

This course provides an overview of the financial markets and institutions with a special emphasis on financial markets, theories on interest, central bank, monetary policy and interest rates, capital markets, money markets and capital and money market instruments, commercial banking industry, regulation of financial markets and institutions in the context of Nepal and contemporary issues of financial markets and institutions.

## **Course Details**

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

**LH4**

Overview of the financial markets: primary markets versus secondary markets, money markets versus capital markets, foreign exchange markets, derivative security markets, financial market regulation; Overview of financial institutions: types of financial institutions, economic functions performed by financial institutions and globalization of financial markets and institutions.

### **Unit 2: Determination of Interest Rates:**

**LH 4**

Loanable funds theory, Determinants of interest rates for individual securities: inflation, real interest rates, default risk, liquidity risk, special provisions, term to maturity; term structure of interest rates: unbiased expectations theory, liquidity premium theory, market segmentation theory; and forecasting interest rate.

### **Unit 3: The Central Bank, Monetary Policy, and Interest Rates**

**LH 5**

The central bank, the money supply and interest rates, monetary tools: open market operations, the discount rate, reserve requirements; effects of monetary tools on various economic variables, money supply versus interest rate targeting; international monetary policy and strategy; central bank and monetary tools in Nepal.

### **Unit 4: Money Markets**

**LH 5**

Nature & concept of money market: money market securities: treasury bills, federal funds, repurchase agreements, commercial paper, negotiable certificate of deposit, bankers' acceptance; money market participants, yield on money market securities: bond equivalent yields, effective annual return, discount yields, single payment yields; and international aspects of money markets.

**Unit 5: Capital Markets** **LH 6**

Bond market: treasury notes and bonds, STRIPs, municipal bonds, corporate bonds; primary mortgage market: characteristics, and amortization; secondary mortgage markets: concept of securitization and mortgage-backed securities; primary and secondary stock markets: primary stock markets, secondary stock markets, stock market indexes; NEPSE, and stock market regulation in Nepal.

**Unit 6: Commercial Banking Industry:** **LH 5**

Financial statements: balance sheet and income statement; off-balance sheet activities; financial performance analysis, regulation of commercial banks including NRB directives with reference to Basel II and III.

**Unit 7: Other Lending Institutions** **LH 4**

Saving institutions: size, structure and composition of the industry, financial statements, and regulators; Credit unions: size, structure and composition of the industry, financial statements, and regulators; and Finance companies: size, structure and composition of the industry, financial statements, and regulators.

**Unit 8: Insurance Industry** **LH 7**

Life Insurance companies: types of policies, and financial statements; property-casualty insurance companies: types of policies and financial statements; and insurance industry in Nepal: types, size, structure and composition, act and regulation, and regulatory body of industry.

**Unit 9: Securities Firms and Investment Banks** **LH 4**

Securities firm and investment bank activity areas; financial statements; Securities firm and investment banks in Nepal: size, structure and composition, regulation and regulatory body.

**Unit 10: Mutual Funds and Pension Funds** **LH 4**

Mutual funds: Types, mutual funds returns and costs, mutual funds regulation in Nepal; pension funds: size, structure, and composition of the industry, practices in Nepal.

**Part 4: Textbooks and References**

**Textbooks**

1. Saunders, Anthony and Marcia Million Cornett. *Financial Markets and Institutions*. Special Indian Edition, New Delhi: McGraw-Hill Education (India) Private Limited.
2. Madura, J. *Financial Markets and Institutions*. New Jersey: Thomson South-Western.

**References**

1. Mishkin, F.S. *Financial Markets and Institutions*. New York: Harper Collins College Publishers.
2. Rose, P.S. and Marquis, M.H. Money and Capital Markets, **Financial Institutions and Instruments in a Global Marketplace**. New York: McGraw-Hill Irwin.
3. **Nepal Rastra Bank Act, 2006** and [www.nrb.org.np](http://www.nrb.org.np)

4. Bank and Financial Institutions Act
5. Nepal Rastra Bank Directives
6. Basel II and Basel III
7. Insurance Act and Regulation
8. Annual Report of Beema Samittee
9. Securities Act 2063
10. Annual Report of SEBON

**In-semester evaluation: 50%**

**End-semester evaluation: 50%**

# FIN 518: Treasury Management

(concentration)

*Credits: 3*

*Lecture Hours: 48*

## Course Objective

This course aims to enable students to appreciate the significance of concepts, theories and practice of treasury management in banks and to make them acquainted with analytical and problem solving skills that apply in the management of treasury in banks and financial institutions. The course also aims to familiarize students with practice and emerging issues in treasury management.

## Course Description

The major topics covered in this course are: Introduction to treasury management, cash transfer, forecasting and concentration, Risk management for changing interest rates: assets-liabilities management and duration techniques, Risk management: use of derivatives and asset-backed securities, Liquidity and reserve management, Foreign exchange risk management, Project work/ seminar on treasury management.

## Course Details

### Unit 1: Introduction to Treasury Management:

**LH 4**

Role of the treasury department, Treasury controls, Treasurer job description, Position of treasury department within the corporate structure, Front, mid and back office.

### Unit 2: Cash Transfer, Forecasting and Concentration:

**LH 6**

Check payments, Wire transfer, ACH payments, Procurement cards, Fees for cash transfer, Cash transfer controls, Cash transfer policies, Cash transfer procedures; Cash Forecasting: Cash forecasting model, Information sources for the cash forecast, Measuring cash forecast accuracy, Cash forecasting procedure; Cash concentration: Benefits of cash concentration, Cash concentration strategies.

### Unit 3: Risk Management for Changing Interest Rates:

**LH 10**

Assets-Liabilities Management and Duration Techniques: asset-liability management strategies, Interest rate risk, Protecting net interest margin, Duration as risk management tool, Using duration to hedge against interest rate risk, Limitation of duration gap management. Use of Derivatives and Asset-Backed Securities in risk management: uses of financial futures, options, swaps in risk management, Use of asset-backed securities, loan sales, credit standbys and credit derivatives.

### Unit 4: Foreign Exchange Risk Management:

**LH 6**

Foreign exchange quote terminology, The nature of foreign exchange risk, Data collection for foreign exchange, Risk management, Foreign exchange hedging strategies, Foreign exchange hedge controls, Foreign exchange hedge policies, Foreign exchange hedge procedures, Hedging activities.

### Unit 5: Liquidity and Reserve Management:

**LH 8**

The demand for and supply of liquidity, Reasons for liquidity problems, Strategies for liquidity managers, Estimating liquidity needs, Legal reserve and Money position management, Factors in choosing among the different sources of reserves, Central bank reserve requirements, The Basel rules.



**Unit 6: Treasury System:****LH 6**

Clearing and Settlement Systems: Characteristics of clearing and settlement systems, Overview of the clearing and settlement process, Fedwire, Automated clearing house (ACH) System, Clearing house interbank payments system (CHIPS), Check clearing, The continuous link settlement (CLS) system; Treasury Systems: Treasurer's technology needs, Treasury management system, SWIFT connectivity.

**Unit 7: Project Work/ Seminar on Treasury Management:****LH 8**

The instructor and the students will finalize the key theme and topic of project work/ seminar which can be an individual or group work. The key theme should be relevant to treasury management in banks. The instructor will provide the rubrics of the project work and the students will prepare and present the report in the class.

**Teaching Learning Strategy**

The pedagogic strategy of this course will include lectures with group and class discussions, lab works, case study analysis and presentations; project works, term paper, etc. Besides, writing theme papers and their presentations will form key activities in project work/ seminar unit of the course. Therefore, students will be required to be actively participating in both class and out of class activities. All students will be encouraged to make full use of available print and electronic resources. Prior reading of relevant text is essential for productive discussions in the class.

**Evaluation**

The students will be assessed through continuous (in semester) evaluation carrying 40 percent weight and semester-end examination carrying 60 percentage weight.

**Part 6: Test Books and References****Basic text-books:**

1. Rose, Peter S. & Hudgins, Sylvia C., Bank Management and Financial Services, Delhi: McGraw Hill Education.
2. Bragg, Steven M., Treasury Management: The Practitioner's Guide, New Jersey: Wiley & Sons, Inc.

**References:**

1. Chaudhari, M., Bank Assets and Liability Management: Strategy, Trading and Analysis, Willy Publication.
2. Waston, Alasdair & Aitringham Ron. Treasury Management: International Banking Operation, Financial World Publishing.
3. Annual reports and other publications of Nepal Rastra Bank, Nepal Securities Board.
4. Journals and magazines of international repute: Journal of Banking and Credit, Harvard Business Review, The Economists.

# **MGT 512: Small Business Entrepreneurship**

(concentration)

*Credits: 3*

*Lecture Hours: 48*

**Course Objective:** The main objective of this course is to impart students the knowledge and skills of entrepreneurial small businesses so that they may successfully apply them to start and manage such businesses as a career option or help and advice their owners and managers for smooth operations.

## **Course Description:**

To achieve the objective, this course covers the nature, role and ethics of small business, characteristic features of entrepreneurs, business ideas, and options for starting of small business, small business strategies, business plan, and small business marketing

## **Course Details:**

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

**LH 6**

Nature of small business: Meaning, small business owners and entrepreneurs, small businesses vs. high growth ventures; Opportunities and rewards for starting small business; Starting a small business: entry competencies; Role of small business in economy; Small business ethics.

### **Unit 2: Small Business Entrepreneurs:**

**LH 6**

Entrepreneurial personality: characteristics of successful entrepreneurs; Entrepreneurial motivation; Entrepreneurial competencies; Professionalization; Entrepreneurial careers; Entrepreneurial teams; Women and minorities in small businesses.

### **Unit 3: Small Business Ideas:**

**LH 6**

Sources of business ideas; Screening ideas; Ideas, opportunities and creativity: innovative frame of mind; Avoiding pitfalls; Types of innovations small businesses develop; Feasibility of an idea: pilot testing; Methods of being creative.

### **Unit 4: Starting Up Small Business:**

**LH 10**

Starting a part-time business: significance, types and success factors; Starting a full-time business: new, purchasing and franchising; Starting a new business: advantages and disadvantages, increasing chance of success; Purchasing an existing business: advantages and disadvantages, determining value of business and structuring the deal; Franchising: advantages and disadvantages, franchising opportunities and legal considerations.

### **Unit 5: Small Business Strategies:**

**LH 5**

Strategy in small business; Small business strategy process: pre-strategy, benefits, strategy selection and competitive strategy; Life cycle and business strategy

### **Unit 6: Business Plan:**

**LH 7**

Concept of business plan; Key element of business plan: vision and mission statements, elevator pitch, executive summary and business plans; Strategizing for business plan; Contents of business plan: title page, executive summary, the company, the market, the organization, the finance, critical risks, appendices, resume; presenting business plan.

**Unit 7: Small Business Marketing:****LH 8**

Product and pricing strategies; Promotion strategies: determining value proposition, market segmentation, developing message, conveying message; Process of personal selling; Customer relationship management: strategies and steps; Distribution: direct marketing, Internet, distribution issues for direct marketing and non direct marketing.

**Basic Textbook:**

1. Jerome Katz and Richard Green. *Entrepreneurial Small Business*. New Delhi: Tata McGraw-Hill

**Reference Books**

1. Michael Shaper, Thierry Volery, Paull Weber and Kate Lewis. *Entrepreneurship and Small Business*. New Delhi: Wiley India
2. Thomas W. Zimmerer and Norman M. Scarborough. *Essentials of Entrepreneurship and Small Business Management*. New Delhi: Prentice-Hall of India Ltd.

# **MGT 517: Social Entrepreneurship**

(concentration)

*Credits: 3*

*Lecture Hours: 48*

## **Course Objective:**

The main objective of this course is to impart students with the fundamental knowledge social entrepreneurship and the skills to require for launching, managing and achieving growth of social enterprises as a career option.

## **Course Description:**

This course deals with a number of topics such as the concepts of social entrepreneurship and social entrepreneurs, social entrepreneurship ideas and opportunities, developing concept of social enterprise and social enterprise business plan, social enterprise fundraising and marketing, and social enterprise launch, growth and goal attainment.

## **Course Details:**

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

**LH 7**

Nature and concept of social entrepreneurship; Myths about social entrepreneurship; Emergence of social entrepreneurship as global movement; Pioneers of social entrepreneurship; Process of social entrepreneurship; Growth of social entrepreneurship; Theories of social entrepreneurship; The forces on social entrepreneurship. Role of technology in social entrepreneurship and characteristics of successful social enterprise.

### **Unit 2: Environment for Social Entrepreneurship Development**

**LH 6**

Registration of intellectual property right (patent, trademarks, copyright, trade secret), licensing, product safety and liability. Insurance and contracts. Economic, legal, socio cultural, political environment for developing social entrepreneurship. Risk associated with social entrepreneurship development.

### **Unit 3: Social Entrepreneurs:**

**LH 5**

Social entrepreneurs: concept, traits, and characteristics of successful social entrepreneurs, functions; Difference between social entrepreneurs, business entrepreneurs, government and activism; Examples of world renowned social entrepreneurs.

### **Unit 4: Ideas and Opportunities:**

**LH 6**

Introduction to social entrepreneurship ideas and opportunities; Creative process of social entrepreneurship: access to information, utilization of information, creativity and ideas; Moving from ideas to opportunities; Sources of opportunities

### **Unit 5: Developing Social Enterprise Concept:**

**LH 3**

Introduction to social enterprise concept; Social enterprise mission; Business models; Threats to business model

**Unit 6: Social Enterprise Business Plans:****LH 6**

Concept of business plan; Business plan summary; Description of the enterprise; The team; The market and industry; Marketing and fundraising; Financial plan; Goals and objectives with a timeline; Risk assessment; Supporting document; Pitfalls

**Unit 7: Entrepreneurial Fundraising and Marketing:****LH 8**

Introduction; Types of fundraising; Personal relationships; Direct mail; Fundraising events; Telefunding; Traditional media; Virtual means; Spending of raised funds; fundraising strategies; Social enterprise marketing; Steps in building social enterprise marketing strategy; Social enterprise messages; Pricing

**Unit 8: Launch, Growth and Goal Attainment:****LH 7**

Introduction; Preparing for growth; Substitutes for service; Socioeconomic and demographic changes; Public policy shifts; Bargaining power of sellers and buyers; Social enterprise growth strategies; Myths about growth; Challenges of growth and change; Growth and risk; End of the social entrepreneurship process

**Textbooks:**

1. Arthur C. Brooks. *Social Entrepreneurship: A Modern Approach to Social Value Creation*. New Delhi: Prentice-Hal India Ltd.

**Reference Books:**

1. David Bornstein and Susan Davis. *Social Entrepreneurship: What Everyone Needs to Know*. New Delhi: Oxford University Press
2. Robert Gunn and Chris Durkin (Eds). *Social Entrepreneurship: A Skills Approach*. Bristol: The Policy Press
3. Danielle N. Sampson (Ed.). *Social Entrepreneurship*. New York: Nova Science Publishers

# **MGT 551: Commercial Bank Management**

**Elective I/II**

*Credits: 3*

*Lecture Hours: 48*

## **Course Objective**

The course aims to impart the students overall theoretical knowledge required to manage commercial bank efficiently at operating level in general and to equip the students with necessary theoretical foundation and tools to evaluate the financial performance, manage the different types of ever changing risks, investment, liquidity and reserve, deposit and non deposit liabilities, bank capital, and loan of commercial bank in particular. The course also aims to familiarize students with different aspects of operating level management of commercial banks in Nepal.

## **Course Description**

This course provides an overview of the financial statements and bank performance evaluation tools, risk management for changing interest rates, the investment functions in commercial banks, liquidity and reserve management, managing and pricing deposits, managing non deposit liabilities, the management of capital, lending policies and procedures, lending to business firms and pricing to business loans, and field work and seminar on consumers loans provided by commercial banks in Nepal.

## **Course Details**

### **Unit 1: Overview of financial Statements and performance of commercial banks LH 5**

Overview of the financial statements: balance sheet, income statement, cash flow statement, and income distribution statement; Off-balance-sheet items; Evaluating the performance of banks: Maximizing the value of the firm, profitability ratios and brief introduction of risk in commercial bank—credit risk, liquidity risk, market risk, interest rate risk, foreign exchange and sovereign risk, off-balance-sheet risk, operational risk, legal and compliance risks, reputation risk, strategic risk, and capital risk.

### **Unit 2: The investment functions in commercial bank LH 5**

Overview of money market and capital market investment instruments, recently developed investment instruments, investment securities held by banks, factors affecting choice of investment securities, investment maturity strategies, maturity management tools and NRB directives regarding investment.

### **Unit 3: Managing and pricing deposits LH 5**

Overview of types of deposits offered by commercial banks, interest rates on deposits, pricing deposit-related services: pricing deposits at cost plus profit margin, using marginal cost to set interest rates on deposits, and pricing based on the total customer relationship and choosing depository, and NRB directives regarding the deposit collection, mobilization and pricing.

### **Unit 4: Managing non-deposit liabilities LH 6**

Liabilities management and the customer relationship doctrine, Non-deposit sources of funds: Borrowing from other financial institutions, repurchase agreement, borrowing from central bank, development and sale of large negotiable CDs, commercial paper markets, long-term non-deposit fund sources, and choosing non-deposit sources.

**Unit 5: The management of capital****LH 7**

Capital and risk, types of capital in use, calculation of capital requirement: Basel I, Basel II and Basel III, planning to meet capital needs and NRB directives and practice of Nepalese commercial banks.

**Unit 6: Lending policies and procedures****LH 7**

Overview of types of loans, regulation of loans, steps in the lending process, credit analysis, sources of information about loan customers (focusing Nepalese context), part of a typical loan agreement, loan review, loan classification and allowances, and loan rescheduling and restructuring.

**Unit 7: Lending operation and pricing business loans****LH 7**

Types of business loans-short-term and long-term loans to business firms, analyzing business loan applications, customer's, financial ratio analysis, comparison between firm's and industry's performance, preparing statement of cash flows of business, pricing business loans, preparing loan agreement and loan schedule, NRB directive regarding business loans.

**Unit 8: Project work and seminar on Consumer lending****LH 6**

The instructor will divide the students in group and send them to the field to conduct the study of consumer loans provided by commercial banks. Field work study should cover types of loans granted to individuals and family, characteristics of consumer loans, evaluation of consumer loan application, major contents of consumer loan application, laws and regulation applying to consumer loans; pricing and condition of consumer loans. At the end of the course instructor will ask the students to organize the seminar and present their work to the seminar. Project work and presentation to the seminar will be part of the in-semester evaluation.

**Textbooks**

1. Rose, Peter S. and Sylvia C. Hudgins. *Bank Management and Financial Services*, 9<sup>th</sup> edition. New York: McGraw-Hill Irwin, 2013.
2. Rose, Peter S. *Commercial Bank Management*. New York: McGraw-Hill Irwin.

**References**

1. Saunders, Anthony and Marcia Millon Cornett. *Financial Institutions Management: A Risk Management Approach*. Indian Edition, New Delhi: McGraw-Hill Education (India) Private Limited, 2013.
2. Koch, Timothy W. and S. Scott Macdonald. *Bank Management*. Singapore: Thomson Southwester.
3. Gup, Benton E. and James W. Kolari. *Commercial Banking: The Management of Risk*. Singapore: John Wiley & Sons (Asia) Pte. Ltd.

# **MGT 553: Insurance and Risk Management**

(elective)

*Credits: 3*

*Lecture Hours: 48*

## **Course Objective:**

The main objective of this course is to familiarize students with the concept and application of insurance and risk management. This course also aims to orient the student about insurance business regulations, mechanisms and practices in Nepal.

## **Course Description:**

This course contains introduction, risk aversion, risk management and insurability of risk, loss control, and legal liability for injuries, life insurance and annuities, employee benefits, retirement plans, commercial insurance contracts and regulating insurance business in Nepal.

## **Course Details**

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

**LH 6**

Concept of risk; Risk identification; Types of risk facing businesses and individuals; Cost of risks: components of cost of risk, cost tradeoff, and cost of other types of risk; Business risk management and need for risk management; Business risk management organizations

### **Unit 2: Risk Aversion, Risk Management and Insurability of Risk:**

**LH 7**

Concept of risk aversion; Risk aversion and demand for insurance; Factors affecting demand for insurance; Shareholder diversification; Reasons for buying insurance; Factors that limit the insurability of risk; Contractual provisions that limit coverage; Legal doctrines

### **Unit 3: Loss Control:**

**LH 4**

Concept of loss control; Types of loss control: loss prevention, loss reduction, diversification and expected indirect losses and effects of insurance on loss control

### **Unit 4: Legal Liability for Injuries:**

**LH 4**

Tort liability, rules and procedure; Liability from negligence; Objectives of tort liability systems; Limited wealth and limited liability; Tort liability and safety regulation

### **Unit 5: Life Insurance and Annuities:**

**LH 5**

Concept of life insurance product; Traditional products: Term, endowment and whole life; Tax benefits from life insurance policies; Annuity contracts; Life insurance pricing; Choice of life insurance coverage; Life insurance cost comparisons

### **Unit 6: Employee Benefits:**

**LH 4**

Concept of employee benefits; Types of employee benefits; Reasons for providing employee benefits; Group medical expense coverage; Group medical plan provisions and pricing issues; Health care cost and uninsured problem

### **Unit 7: Retirement Plans:**

**LH 2**

Concept of retirement plans; Tax advantages of retirement plans; Retirement plan provisions and regulations



**Unit 8: Commercial Insurance Contracts:**

**LH 6**

Insurance contracts and markets; Deductibles and self-insured retentions; Policy limits and umbrella policies, commercial general liability insurance; Pricing and underwriting: commercial vs. personal coverage.

**Unit 9: Regulating Insurance Business in Nepal**

**LH 10**

Insurance Companies in Nepal, Insurance policy of Nepal, Insurance Act and Regulation 1993, Insurance licensing policy, Micro Insurance Directives, Directives for Institutional Governance of Insurance Companies 2069.

**Textbook:**

1. Scott E. Harrington and Gregory R. Niehaus. *Risk Management and Insurance*. New Delhi: Tata McGraw-Hill

**Reference Books:**

1. Sandra Gustavson and James S. Trieschmann. *Risk Management and Insurance*. New Delhi: South-Western
2. George E. Rejda. *Principles of Risk Management and Insurance*. New Delhi: Pearson-Addison Wesley
3. Insurance Act and Regulation 1993,
4. Insurance licensing policy,
5. Micro Insurance Directives,
6. Directives for Institutional Governance of Insurance Companies 2069.

# MGT 555: E-Business

(elective)

*Credits: 3*

*Lecture Hours: 48*

## **Objective:**

This course aims to familiarize students with the concepts of E-Business and related issues and imparts the skills to apply in the business.

## **Course Description:**

This course covers introduction to E-Business and its infrastructure, E-Procurement, E-Marketing, E-Business models, E-Payment systems and securities issues with E-Payment system, supply chain management, and customers relationship management.

## **Course Details**

### **Unit 1: Introduction to E-Business**

**LH 7**

The impact of the electronic communications on traditional business; Concept of E-Business; Difference between E-Business and E-Commerce; E-Business opportunities; Business adoption of digital technologies for E-Business; E-Business risks and barriers to business adoption; Management responses to E-Business; Value of E-business for organizations, E-Business environment in Nepal.

### **Unit 2: E-Business Infrastructure**

**LH 5**

Concept of E-Business infrastructure; E-Business infrastructure components; Internet and mobile platform; Web technology; Internet-access software applications; Managing E-Business infrastructure, E-business strategy.

### **Unit 3: E-Procurement**

**LH 4**

Concept of E-Procurement; Drivers of E-procurement; Focus on estimating E-Procurement cost; Risks and impacts of E-Procurement; Implementing E-Procurement

### **Unit 4: E-Marketing**

**LH 3**

Concept of E-Marketing: search adverts, social media channels, online marketing; E-Marketing planning; Situation analysis; Objective setting, customer care in E-Business, online customer behavior and market research.

### **Unit 5: E-Business Models**

**LH 6**

Concept of E-Business models; Business to business model; Customer to customer; Business to customer, developing E-business models, launching a successful online business and E-business project.

### **Unit 6: E-Payment Systems**

**LH 8**

Concept of E-Payment systems; Types of E-Payment: cards, mobile payments; Government regulations and policy; Driving factors for development of E-Payments in national level: government, consumer, technology, competition; Global of E-Payment system; Security issues of E-Payments: components of E-Payments, technologies aspect, E-Signature for the security; Major issues for E-Security; E-Banking system: Internet banking, mobile banking, payment of bills through the Internet, payment Portal.

**Unit 7: Supply Chain Management****LH 9**

Concepts of value, need and role of an information system for SCM, enterprise resource planning (ERP) market and product profile, current trend and feature of IT in SCM. Value creation, and supply chain management; Supply chain strategy: structural and infrastructural dimensions; Supply chain strategy: coordination for value creation Supply chain strategy: coordination for value creation, B 2 B E-Commerce.

**Unit 8: Customer Relationship management (CRM)****LH 6**

Concept of customer relationship management; online retailing and services features and benefits of CRM systems, problem and prospects of CRM in E-Business of Nepal. Ethical, social and political issues in E-Commerce.

**Textbooks:**

1. Dave Chaffey. *E-Business and E-Commerce Management*. New Delhi: Prentice Hall India Ltd.
2. Daniel Amor, “*The E-business (R) evolution*”, New Delhi: Pearson Education Asia

**Reference Books**

1. Ravi Kolkata, “*Frontiers of Ecommerce*”
2. Kenneth C. Laudon and Carol Tracer , “*E-Commerce 2013*” (9th Edition)
3. Efraim Turban and David king: *Electronic Commerce: Managerial and Social Nepalese perspectives*.

# MKT 514: Services Marketing

(concentration)

Credits: 3

Lecture Hours: 48

## Course Objective

This course aims to build students understanding and skills in strategically managing services which includes typical challenges in the modern business world.

## Course Description

Services present special challenges that need a different strategy than managing of other marketing entities. Service marketing is practiced not only by firms selling services but also by firms selling goods with many accompanying services. Its importance and relevance has grown phenomenally in the last two decades. Realizing the importance of this dimension, this course includes the major strategic aspects involved in marketing of services. This course includes issues related to service marketing and covers topics such as service marketing fundamentals, managing the service mix – product, place, price, promotions, process, people and physical evidence, customers perception of the services, customer expectations, service failure and recovery, use of technology in services, and managing quality and excellence in services.

## Course Details

### Unit 1: Introduction

LH 8

Nature of services. Relevance of service marketing. Characteristics of services and strategic implications. Classification of services and strategic implications. The service marketing mix components. Growth and challenges of the service sector in Nepal.

### Unit 2: Customer Expectations of Service

LH 6

Concept. Types of service expectations. Levels of expectations and zone of tolerance. Desired and adequate service expectations. Expectations management.

### Unit 3: Customer Perceptions of Service

LH 8

Concept and dimensions. Customer satisfaction determinants. Service quality dimensions. Service encounter management. The Gaps model of service quality. Strategy for closing the service gaps.

### Unit 4: Service Failure and Recovery

LH 4

Causes of service failures. Service system failure. Service recovery strategy. Service guarantees.

### Unit 5: Managing the Service Mix

LH 22

**Product:** Service marketing research program; Relationship marketing; Quality marketing.

**Place:** Use of service intermediaries; Direct marketing; Franchising; Use of electronic channels.

**Price:** Non-monetary costs and service quality; Approaches to pricing of services; Pricing and value definitions.

**Promotions:** Integrated Service marketing communications; matching service promises with delivery.

**Process:** The service process; Service blueprinting; Managing service supply and demand; Customers' role in service delivery; Use of technology in service process.

**Physical evidences:** Concept and types of evidences; Servicescapes - types and strategic roles.

**People:** Employees' roles in service delivery; The service culture; The service triangle; Service profit chain.

## References

Zeithamal, V.A., Bitner, M.J., Gremler, D. and Pandit, A., *Services Marketing*, Tata McGraw Hill, New Delhi, India.

Lauhari V. and Dutta, K., *Services*, Oxford University Press, New Delhi, India.

Lovelock, C. , *Services Marketing*, Pearson Education, New Delhi, India.

Bhattacharjee, C., *Services Marketing*, Excel Books, New Delhi, India.



# MKT 515: E-Marketing

(concentration)

Credits: 3

Lecture Hours: 48

## Course Objective

This course aims to build students' skills in analyzing the e-marketing environment and designing e-marketing plan and strategies.

## Course Description

The emergence of the internet has opened new opportunities to design business models that deliver customer satisfaction through the use of the information superhighway. This course is designed for the students to understand the managerial perspectives of the e-business so that they can develop entrepreneurial attitude to undertake e-marketing as a business venture. This course includes issues such as the concept and development of the e-marketing, strategic e-marketing, e-marketing planning, e-marketing environment, e-marketing strategy formulation, e-marketing mix management, use of social media for marketing and customer relationship management.

## Course Details

### Unit 1: Introduction

LH 6

The e-marketing landscape – concept and development of Web 1.0 (past), Web 2.0 (present), and Web 3.0 (future) platforms. Strategic e-marketing – from strategy to strategy and from business models to e-business models. The varieties of e-business models.

### Unit 2: E-Marketing Environment

LH 6

Building inclusive e-markets – global markets, emerging economies, importance of information technology. Country and market opportunity analysis. Influence of technology readiness. Wireless internet access – the digital divide. Building inclusive e-markets.

### Unit 3: E-Marketing Planning

LH 6

The e-marketing planning process. Creating an e-marketing plan – the napkin plan and venture capital e-marketing plan. The critical steps of the e-marketing planning.

### Unit 4: Ethical and Legal Issues of E-Marketing

LH 4

Ethics and ethical codes. Self-regulation. Privacy. Digital property. Online expression. Emerging ethical and legal issues – online governance, jurisdiction, and fraud.

### Unit 5: E-Marketing Strategy

LH 4

Data drive strategy. Marketing knowledge management. Monitoring and social media. Other technology-enabled approaches. Marketing databases and data warehouses. Data analysis and distribution.

### Unit 6: E-Marketing Management

LH 10

**Product:** the online offer and capitalizing on internet properties. Creating customer value online. Product benefits, attributes, branding, support services, and labeling. E-marketing enhanced product development strategies. **Price:** Internet based pricing strategies. Buyer seller views on price. Payment options. Pricing strategies.

**Distribution:** Distribution channels and online intermediaries. Channel length and functions. Channel power.

**Promotion:** E-marketing communications. IMC in e-marketing. Internet advertising trends and format. Marketing public relations (MPR). Role of sales promotions and direct marketing.

**Unit 7: Social and Digital Media Marketing****LH 8**

Elements of the social media – concept and types. Use of social media by business. Social media strategies. Community building. Digital media – concept, search engines, social media advertising, mobile advertising. Buying digital media.

**Unit 8: Customer Relationship Management****LH 4**

Relationship building in e-marketing. Relationship marketing pillars. Building blocks of customer relationship management. Rules for success of CRM.

**References**

Strauss, Judy and Raymond Frost, **E-Marketing**, Prentice Hall of India, New Delhi, India.

Afuah, Allan and Tucci, Christopher, **Internet Business Models and Strategies**, McGraw Hill/Irwin. New York, USA.





# **MKT 518: Strategic Brand Management**

*(concentration)*

*Credits: 3*

*Lecture Hours: 48*

## **Course Objective**

This course aims to build students understanding and skills in developing powerful brands and managing them effectively.

## **Course Description**

This course provides with the basic theoretical as well as practical knowledge for building, implementing, and revitalizing brands in today's competitive and market-driven business environment. The course includes

## **Course Details**

### **Unit 1: Introduction**

**LH 4**

Meaning of Brand and Branding. Branding Goals. Elements of a Brand. **The Value of Branding.** Brand Architecture. Brand Hierarchy. Branding Challenges of the 21<sup>st</sup> Century.

### **Unit 2: Strategic Brand Building Process**

**LH 4**

Strategic Process for Brand Building. Brand Vision and Organization Culture. Strategic Audit. Identifying Branding Opportunities. Brand Values. Brand Identity and Image. **Positioning and USP.** Brand Personality. Brand Experience.

### **Unit 3: Brand Equity**

**LH 8**

Concept of Brand Equity. Brand Equity Benefits. Measurement of Brand Equity. The Customer-based Brand Equity Model. Aaker's Model. BrandZ Model. The BrandDynamics Pyramid. Brand Asset Valuator Model. Financial Valuation of Brand Equity. Problems in Brand Valuation. Valuation Approaches. Models for Financial Valuation.

### **Unit 4: Brand Positioning and Values**

**LH 8**

Brand Positioning Concept. Types of Brand Positioning. Characteristics of Strategic Brand Positioning  
Brand Positioning Process. Brand Values. Value Proposition Canvas. Core Brand Values. Brand Mantra: Designing a Brand Mantra. Implementing Brand Mantra. Internal Branding: Concept and Process.

### **Unit 5: Brand Marketing Programs**

**LH 8**

Concept. Brand Building Process. Brand Element Strategy: Brand Name, Logos and Symbols, Color, Shape, Typeface, Scale, Brand Characters, Slogans, Jingles and Sound Signals Packaging, Uniform Resource Locators (URLs). Brand Marketing Program: Brand Building and Dynamism in Modern Marketing. Product Strategy: Perceived Quality and Relationship Marketing. Customer-Brand Relationship. Pricing Strategy. Channel Strategy. Communication Strategy. Role of Advertising in Brand-building. Integrated Communication Mix for Brand Building. Leveraging Secondary Associations. Brand Leverages.

### **Unit 6: Measurement of Brand Performance**

**LH 8**

Concept. Qualitative Measurement Tools and Research Methods. Brand Knowledge Measurement. Brand Awareness Measurement. Metrics for Brand Awareness Measurement. Brand Image Measurement. Brand Tracking Studies. Brand Purchase Intention Measurement. Brand Loyalty Measurement. Brand Positioning Measurement. Quantitative Research Tools.

**Unit 7: Brand Management Strategies****LH 8**

Brand Value Chain. Designing Branding Strategies. Brand-Product Relationship (Matrix). Brand Portfolio Management. Brand Extension Strategy. Brand Management over Time: Brand Reinforcement, Brand Revitalization, Brand Retirement, Brand Rejuvenation . Managing Brands Globally.

**References**

Keller, K. L., *Strategic Brand Management*, Pearson Education: New Delhi.

Aaker, D. A., *Managing Brand Equity*, Free Press: New York.

Koirala, K.D. *Brand Management Strategy*, M.K. Publishers and Distributors: Kathmandu.

# MGT 554: Microfinance and Entrepreneurship

(elective)

*Credits: 3*

*Lecture Hours: 48*

## **Course Objective**

The course aims to build up the theoretical foundation on microfinance and develop the skill of the students to be policy analyst, consultant and manager of microfinance projects in general and acquaint students with the practical aspects of microfinance industry in Nepal in particular.

## **Course Description**

This course is designed with microfinance institutional and financial perspective. It contains an overview of microfinance, target markets and impact analysis, products and services of microfinance, microfinance institutions, designing loan products and saving products, performance measurement of microfinance institutions, entrepreneurship for the sustainability of microfinance institutions and a seminar on microfinance.

## **Course Details**

### **Unit 1: Overview of Microfinance**

**LH 4**

Concept of microfinance, microfinance revolution, rationale of growing microfinance, key principles of microfinance, understanding microfinance in Nepalese context: suppliers of financial intermediation, contextual factors and clients.

### **Unit 2: The Target Market and Impact Analysis**

**LH 5**

Objectives of microfinance institutions, direct and indirect targeting, the considerations in determining the demand for financial services: cash flows and capacity to service debt, equity requirement, moral hazard, market size, target market, impact analysis: concept and users of impact analysis, kinds of impacts, levels of impact, impact proxies and client oriented impact analysis, time for impact assessment, methods of impact assessment: qualitative, and quantitative, and integrating qualitative and quantitative methods.

### **Unit 3: Products and Services of Microfinance**

**LH 5**

Categories of microfinance services, Minimalist and integrated approach to microfinance, financial intermediation: range of products, principles of financially viable lending, methods of credit delivery, savings: compulsory saving and voluntary saving, credit card and smart card, payment services, social intermediation, enterprise development services, matching enterprise development service to demand, social services, and practices in Nepal.

### **Unit 4: Microfinance Institutions**

**LH 5**

Importance of institution attributes of a good institution, institutional types, types of institutions in Nepal, creating a formal microfinance intermediary: process of establishment, and preparation of necessary documents such as project proposal, institutional charter, and business plan.

### **Unit 5: Designing Lending Products**

**LH 5**

Cash patterns, loan terms and payment frequency; working capital and fixed asset loans, loan collaterals, collateral substitutes: group guarantee, alternative forms of collateral, loan pricing, effects of service charges or fee on borrowers and MFIs, calculating effective interest rate, fixing the sustainable interest rate on loan, practices of Nepalese financial institutions regarding the designing and pricing the loan.

### **Unit 6: Designing Saving Products**

**LH 5**

Demand for saving services, Legal provision for offering voluntary saving services, deposit insurance, institutional capacity to mobilize savings, types of saving products for micro entrepreneurs, cost of mobilizing voluntary savings, pricing savings, and practices of microfinance in Nepal.

### **Unit 7: Performance Measurement of Microfinance Institutions**

**LH 8**

Adjusting financial statements: Accounting adjustment of loan loss provision, depreciation of fixed assets, accrued interest and accrued interest expenses, subsidies and inflation, restatement of financial statements in constant currency term; performance evaluation of microfinance institutions in the framework of WOCCU model, CGAP model, and SEEP model; and delinquency management: effect of delinquency on the profitability of MFIs and controlling delinquency.

### **Unit 8: Entrepreneurship for the Sustainability of Microfinance Institutions**

**LH 7**

Overview the concept of entrepreneur, entrepreneurship and microenterprises, characteristics of good entrepreneur, linkage of sustainability of microfinance institutions with the sustainability of microenterprises, forms of microenterprises-family run enterprises, partnership with group members, group run enterprises and community based enterprise, and cooperatives; creation of microenterprises, preparation of business plan, financial analysis and financial reporting, auditing and preparing annual report of microenterprises.

### **Unit 9: Seminar on Microfinance**

**LH 4**

Seminar will be conducted on the contemporary issues of microfinance. Key themes of the seminar will include financial inclusion, financial literacy, microfinance and women empowerment, microfinance and poverty reduction, microfinance and microenterprise creation, micro-finance and employment generation.

### **Teaching Learning Strategy**

The pedagogic strategy of this course will include lectures with group and class discussions, class works, case study analysis and presentations; project works, term paper, etc. Besides, writing theme papers and their presentations will form key activities in project work/ seminar unit of the course. Therefore, students will be required to be actively participating in both class and out of class activities. All students will be encouraged to make full use of available print and electronic resources. Prior reading of relevant text is essential for productive discussions in the class.

### **Evaluation**

The students will be assessed through continuous (in semester) evaluation carrying 40 percent weight and semester-end examination carrying 60 percent weight.

### **Textbooks**

1. Joanna Ledgerwood. 2001. Microfinance Handbook: *An Institutional and Financial Perspective*: Sustainable Banking with Poor. Washington D.C: The World Bank.
2. Armendariz, de Aghion, Beatriz and Jonathan Morduch. 2005. *The Economics of Microfinance*. Cambridge MA and London: The MIT Press.
3. Khanka, S.S. *Entrepreneurial Development*. New Delhi: S. Chand & Company LTD.

## References

1. Joanna Ledgerwood. 2013. *The New Microfinance Handbook: A Financial Market System Perspective*. Washington D.C: The World Bank.
2. Mbeba, Ruth Dueck. 2008. *Basic Financial Management and Ratio Analysis for MFIs Toolkits*. MEDA. <[www.meda.org](http://www.meda.org)>
3. Mohammed, Yunus. 2008. *Creating the World Without Poverty: Social Business and Future of Capitalism*.
4. Rock, Rachel, Maria Otero and Sonia Saltzman. 1998. *Principles and Practice of Microfinance Governance*. ACCION International  
< <http://www.jointokyo.org/mfdl/readings/MFGovernance.pdf>>.
5. Shankar Man Shrestha. *State of Microfinance in Nepal. Report submitted to Institute of Microfinance*. 2009. [http://www.inm.org.bd/publication/state\\_of\\_micro/Nepal.pdf](http://www.inm.org.bd/publication/state_of_micro/Nepal.pdf)
6. Barres, Esabelle and others. 2005. *Measuring Performance of Microfinance Institutions: A Framework for Reporting, Analysis and Monitoring*. Washington D.C. The SEEP Network.
7. CGAP. 2003. *Microfinance Consensus Guidelines: Definitions of Selected Financial Terms, Ratios and Adjustment for Microfinance*. Washington DC. : CGAPA/The World Bank Group  
[www.seepnetwork.org](http://www.seepnetwork.org).
8. Richardson, David C. 2002. *PEARLS Monitoring System: World Council for Credit Unions Tool Kits series No.4*. [http://www.woccu.org/documents/Monograph\\_4](http://www.woccu.org/documents/Monograph_4).