

Faculty of Management

Master of Business Studies

M.B.S.

Curriculum

1999



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Master of Business Studies
(M.B.S.)

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TEXT BOOK



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GIFT

TRIBHUVAN UNIVERSITY

Faculty of Management

The Faculty of Management (FOM), Tribhuvan University, has its ultimate objective of educating students for professional pursuits in business, industry and government. It is further dedicated to contributing to enhance the knowledge and understanding of business and administration.

The FOM offers instruction leading to Bachelor of Business Studies (BBS), Bachelor in Travels and Tourism Management (BTTM), Bachelor in Hotel Management (BHM), Master of Business Studies (MBS), Master of Business Administration (MBA), and Master of Public Administration (MPA). The FOM also offers doctoral programme in management leading to a degree of Doctor of Philosophy (Ph.D.).

Master of Business Studies (MBS)

I. Programme Objectives

The objective of the MBS programme is to enable the students to work as competent managers and to meet the demand of higher level managers in organizations, particularly in the functional areas of management. Upon graduation, a student should be able to function as a manager in business, industry, government and non-government sectors, within and outside the country, in areas like accounting, marketing, finance and general management. The MBS programme specifically aims to:

1. Equip the students with required conceptual knowledge of business and management
2. Prepare managers in the functional areas of management.
3. Develop knowledge and skill of business environment in national and global perspective.
4. Encourage entrepreneurial capabilities in students to make them effective change agents in the Nepalese society.
5. Develop research capability in the students.

II. Curricular Structure

The FOM recognizes the need for both breadth and depth in the total academic pattern. Therefore, the curriculum for MBS degree comprises three separate and distinct course components. The three components are:

1. Core Courses

Core business courses integrate all analytical and functional areas and provide the students with an appreciation of the diversity and inter-relationship of business and management issues. It includes subjects such as Research Methodology and Statistical Methods, Business Economics, Organizational Behaviour and Human Resources Management, Corporate Financial Management, Management Accountancy, Marketing Management, Production and Operations Management, Entrepreneurship Development and Business Policy and Environment.

1. Specialization Courses

Specialization in any one of the areas, such as, Accounting, Finance, Marketing, General Management and Management Science enables the student to develop expertise in the functional area.

2. Thesis Writing or Project Work

The MBS programme requires the students to conduct original research work during the second year of the two-year study period. Students are required to either write a thesis or undertake two project assignments based on their original research work. Thesis writing and project works are to be strictly within the area of specialization opted by the student.

III. Eligibility Conditions for Admission

The students applying for admission to MBS course must have successfully completed the BBS programme or a bachelor degree on any discipline from Tribhuvan University or from any other university recognized by Tribhuvan University.

IV. Admission Test

The Faculty of Management (FOM) shall conduct a Central Management Admission Test (CMAT) for the MBS level. Students eligible for MBS programme must sit in the CMAT in

order to qualify to apply for admission to the campuses offering the MBS programme. The FOM shall issue a score-sheet to each student appearing in the CMAT. The admission test shall be concentrated on the following areas:

- Verbal Ability
- Quantitative Ability
- Business and Economics
- Logical Reasoning
- General Awareness

Students must submit a CMAT Request Form to the FOM. Students must submit their applications for admission to the campuses along with the score-sheet. Campuses shall prepare their admission merit list based on the CMAT score. The admission shall be strictly on a competitive basis. The applicants must enclose along with the application form attested copies of:

- Certificates/testimonials of all examinations passed;
- Equivalence, transfer and character certificates, wherever applicable; and
- Two passport size photographs.

Candidates selected for admission will have to produce at the time of admission original certificates/ testimonials of all examinations passed.

V. Minimum General Requirements

The minimum general requirements for the MBS programme are as follows:

1. An academic year will consist of a minimum of 150 teaching days excluding the days taken for admission and annual examinations.
2. A paper of 100 marks will have a minimum of 100 lecture hours and a paper of 50 marks will have a minimum of 50 lecture hours. Each lecture must be of 1 hour (60 minutes) duration.

VI. Attendance, Evaluation and Grading System

The evaluation of the students will be based on two components, internal evaluation - an ongoing or continuous evaluation by the concerning teachers and an external examination -an annual

examination at the end of the academic year. The weight and modalities of the internal and external evaluation shall be as per the following table:

Type of Evaluation	Weight of Total Full Marks	Evaluation Methods
Internal (periodic)	20 %	Term papers, Assignments, Class-presentations, Seminars, Class tests and others as demanded by the course.
External (end of academic year)	80 %	Written tests at the end of the academic year

The internal or on-going evaluation which will be conducted internally by the concerned teachers will include the performances in assignments, seminar presentations, case analysis, term papers and so on.

In order to qualify to appear in the annual examinations, students must meet the following requirements:

- The student must have a minimum of 70 percent attendance of the classes actually held.
- The student must have a passing grade (40 percent) in the internal examination.
- No students will be allowed to appear in the second year final examinations without first appearing in the first year final examinations.
- The programme allows only regular students to sit in the examination.

The grading system in the annual examinations is as follows:

Third Division	40 %
Second Division	50 %
First Division	60 %
Distinction	75 %

VII. Thesis and Project Work

Students are required to write a thesis or two project reports during the second year programme. The thesis and project reports will have to be written within the specialization area selected for study by the student.

Thesis

Only those students who have passed all courses of the first year programme shall be allowed to write the thesis. The thesis has to be written under the direct supervision of a faculty member of the campus/department.

Evaluation of the thesis shall be based on the written part (75 marks) and viva-voce (25 marks). The evaluation of the written part of the thesis shall be conducted through two external examiners. Students should submit three copies of the thesis to the campus/department for evaluation. The concerned campus/department should submit two copies of the thesis to the Office of the Dean, Faculty of Management for external evaluation. Viva-voce of the thesis shall be conducted in the respective campuses by a panel of experts composed of Chairperson of the Research Department, the thesis supervisor, and one external examiner to be appointed by the Office of the Dean. Both in the evaluations of the written part and viva-voce of the thesis, the average of the marks awarded by the experts will be final.

Project Work

Students who opt for project work shall have to work on two assignments during the second year programme on topics approved by the concerned department. The assignments are to be conducted on subject areas of contemporary relevance.

Assignment I: Term Paper: The first project assignment shall be a term paper concentrated on a literature survey in the approved topic. The term paper should be written in about 2000 words. The evaluation of the term paper shall be conducted internally by the concerned department. The term paper shall carry 25 marks.

Assignment II: Field Work: The second project assignment shall be a project report based on a fieldwork on the approved topic. The concerned department has to approve the topic. In the fieldwork, the student will have to collect data and information using relevant instruments. The data and information will have to be tabulated, analyzed, synthesized and presented in the form of a report in the

prescribed format. The report is to be written in about 4000 words. An external evaluator will evaluate the report. The field report shall carry 75 marks.

VIII. Method of Instruction (Teaching Pedagogy)

The method of instruction in the MBS programme will be focussed on the ways that will help the students to understand and analyze the real-life situations in Nepalese business, industry and government, and the global management environment. A combination of class lectures, group discussions, problem solving exercises, guest lectures, seminar presentations, case analyses, review of literature or small project work will be adopted as the teaching methodology.

IX. Graduation Requirements

The MBS programme extends to two academic years. The MBS degree is awarded on its successful completion. All candidates for the MBS degree must fulfil the following requirements:

- The successful completion of 1000 marks as prescribed with passing grades in all the courses
- The passing scores obtained in all theory papers, thesis/seminar papers separately.
- Completion of courses for the fulfillment of the MBS programme must occur within six years from the time of admission.

X. Course Composition

The MBS programme requires the students to study a total of 1000 marks. 14 analytical and core courses (700 marks), 2 specialization courses (200 marks) and a thesis or two seminar papers (100 marks) will have to be completed. The course composition is as follows:

Core Courses

	700 marks
1. MSC 501 ✓ Research Methodology and Statistical Methods ✓	100 marks
2. MSC 502 Production and Operations Management	100 marks
3. ECO 503 Business Economics ✓	100 marks

4. MGT 504	Organizational Behaviour and Human Resources Management ✓	100 marks
5. MGT 505	Business Policy and Environment	100 marks
6. MGT 506	Entrepreneurship Development	50 marks
7. ACC 507	Management Accounting	50 marks
8. FIN 508	Corporate Financial Management	50 marks
9. MKT 509	Marketing Management ✓	50 marks

Specialization Courses

200 marks

(Any two courses from following specialization areas):

A. Management Science (Any two courses)

1. MSC 603	Management Information System	100 marks
2. MSC 604	Decision Support System	100 marks
3. MSC 605	Productivity Management	100 marks
4. MSC 606	Total Quality Management	100 marks

B. Accounting (Any two courses)

1. ACC 611	Profit Planning and Control	100 marks
2. ACC 612	Advanced Auditing	100 marks
3. ACC 613	Tax Laws and Tax Planning	100 marks
4. ACC 614	Accounting Theory	100 marks

C. General Management (Any two courses)

1. MGT 621	Small Business Management	100 marks
2. MGT 622	International Business	100 marks
3. MGT 623	Organizational Development	100 marks
4. MGT 624	Labor Relations	100 marks

D. Finance (Any two courses)

1. FIN 631	Foundations of Financial Theory	100 marks
2. FIN 632	Capital Structure Management	100 marks
3. FIN 633	Investments	100 marks
4. FIN 634	Financial Institutions and Markets	100 marks
5. FIN 635	Multinational Corporate Finance	100 marks

E. Marketing (Any two courses)		
1. MKT 641	Service Marketing	100 marks
2. MKT 642	Consumer Behaviour	100 marks
3. MKT 643	Marketing Research	100 marks
4. MKT 644	International Marketing	100 marks

F. RCH 601 Thesis 100 marks
(Thesis writing within the specialization area).

G. RCH 602 Project Work 100 marks
(Two Assignments within the specialization area).

XI. The Course Cycle

In the MBS programme, the courses offered are to be completed in two years. The campus must run for a minimum of 18 hours per week. Each 50 marks paper must have a minimum of 2 lecture hours per week and each 100 marks paper a minimum of 4 lecture hours a week. Each lecture hour has to be of not less than 60 minutes. The course cycle for two years is as follows:

The First Year Programme

The first year programme carries 450 marks and is organized into following six courses:

Course No.	Course Title	
1. MSC 501	Research Methodology and Statistical Methods	100 marks
2. ECO 503	Business Economics	100 marks
3. MGT 504	Organizational Behaviour and Human Resources Management	100 marks
4. ACC 507	Management Accounting	50 marks
5. FIN 508	Corporate Financial Management	50 marks
6. MKT 509	Marketing Management	50 marks

The Second Year Programme

The second year programme carries 550 marks that constitute of three core courses (250 marks), two specialization courses (200 marks) and

a thesis or project work (100 marks). The courses are organized as follows:

Core Courses

- | | | |
|------------|--------------------------------------|-----------|
| 1. MSC 502 | Production and Operations Management | 100 marks |
| 2. MGT 505 | Business Policy and Environment | 100 marks |
| 3. MGT 506 | Entrepreneurship Development | 50 marks |

Specialization Courses

200 marks

Any two courses from the following specialization areas:

A. Management Science (Any two courses)

- | | | |
|------------|-------------------------------|-----------|
| 1. MSC 603 | Management Information System | 100 marks |
| 2. MSC 604 | Decision Support System | 100 marks |
| 3. MSC 605 | Productivity Management | 100 marks |
| 4. MSC 606 | Total Quality Management | 100 marks |

B. Accounting (Any two courses)

- | | | |
|------------|-----------------------------|-----------|
| 1. ACC 611 | Profit Planning and Control | 100 marks |
| 2. ACC 612 | Advanced Auditing | 100 marks |
| 3. ACC 613 | Tax Laws and Tax Planning | 100 marks |
| 4. ACC 614 | Accounting Theory | 100 marks |

C. General Management (Any two courses)

- | | | |
|------------|----------------------------|-----------|
| 1. MGT 621 | Small Business Management | 100 marks |
| 2. MGT 622 | International Business | 100 marks |
| 3. MGT 623 | Organizational Development | 100 marks |
| 4. MGT 624 | Labor Relations | 100 marks |

D. Finance (Any two courses)

- | | | |
|------------|------------------------------------|-----------|
| 1. FIN 631 | Foundations of Financial Theory | 100 marks |
| 2. FIN 632 | Capital Structure Management | 100 marks |
| 3. FIN 633 | Investments | 100 marks |
| 4. FIN 634 | Financial Institutions and Markets | 100 marks |
| 5. FIN 635 | Multinational Corporate Finance | 100 marks |

E. Marketing (Any two courses)

- | | | |
|------------|-------------------------|-----------|
| 1. MKT 641 | Service Marketing | 100 marks |
| 2. MKT 642 | Consumer Behaviour | 100 marks |
| 3. MKT 643 | Marketing Research | 100 marks |
| 4. MKT 644 | International Marketing | 100 marks |

F. RCH 601 Thesis

100 marks

(Thesis writing within the specialization area).

G. RCH 602 Project Work

100 marks

(Two Assignments within the specialization area).

Research Methodology and Statistical Methods

Course Title: Research Methodology and Statistical Methods

Course No: MSC 501

Nature of the Course: Core

Duration of the Course: 100 lecture hours

Duration of the Class: 60 minutes

Full Marks: 100

Pass Marks: 40

Course Objectives

The course aims to familiarize students with basic research methodology in management exposing them to the relevant techniques of data collection, analysis of data using statistical tools and techniques required for preparation of research report and for managerial decision making.

Course Description

This course deals with the social science research methodology and includes concept of social science research, types of research, research design and methodology in research process, data measurement, data analysis using statistical tools and techniques like probability distribution, sampling, estimation, testing of hypothesis and correlation and regressions, and, research report writing.

Contents

Group A: Research Methodology

1. Research Methods in Management

LH 5

Meaning and nature of research. Types of research. Scope and objective of research. Scientific research process: problem identification, theoretical framework, hypothesis formulation, research design, collection of data, data analysis, and generalization. Role of research in management. Management research methods.

2. Review of Literature

LH 5

Need of literature review. Composing bibliography from different sources. Reviewing literature in bibliography. Organizing library findings.

3. Research Design

L.H 5

Concepts of research design. Types of research designs: historical research, descriptive research, developmental research, case study

research, field study research, true experimental research, and action research. The sample, hypothesis, reliability and validity, pilot study and pre-testing. Common sources of error in the research design.

4. Measurement and Scaling

LH 5

Variables: independent, dependent and intervening variables. Types of measurement: nominal, ordinal, interval and ratio measurements. Objective tests and social scale: types of objective tests. The construction of attitude and social scales.

5. Data Collection and Activities

LH 10

Source of information: census vs. sampling. Types of sampling. Collection of primary and secondary data. Methods of data collection: observation, focus group discussion, participatory methods, survey method. Questionnaire constructions. Research interview: principles of interviewing. Factors affecting choice of data collection methods.

6. Data Analysis

LH 10

Presentation of data. Questionnaire coding and tabulating. Contents analysis. Presenting data in tables and figures. Statistical methods of analyzing data.

7. Topic Selection and Preparation of Proposal

LH 5

Topic selection. Problem definition: research problem, research question and research hypothesis. Theoretical framework and hypothesis formulation. Submitting a research proposal..

8. Research Report writing

LH 5

The Research report: types of reports, procedures for writing. Format of the report: Preliminaries: title page, acknowledgements, table of contents, list of tables and figures. Body of the report: introduction, review of literature, research methodology, analysis and Presentation of Data, Conclusion and Recommendations. Bibliography and Appendices.

Group B: Statistical Methods

1. Probability

LH 10

Concept and importance of probability. Types of events. Approaches to probability. Theorems of probability: conditional probability, Baye's theorem and mathematical expectation.

2. Theoretical Frequency Distribution **LH 5**
Concept of theoretical distribution: binomial, poisson and normal distributions. Fitting binomial and poisson distribution

3. Sampling **LH 5**
Meaning and objective of sampling. Types of universe. Census versus sampling, Methods of sampling. Sampling distribution. Standard error and its utility in testing of hypothesis. Sampling error and non - sampling errors.

4. Estimation **LH 5**
Estimation and Estimators. Types of estimates. Criteria of a good estimator. Relationship among the errors. The risk and the sample size. Estimation of sample size. Interval estimation.

5. Testing of Hypothesis **LH 15**
Meaning of hypothesis. Types of errors in testing of hypothesis. Level of significance, Critical region. One tailed and two tailed tests. Parametric and non-parametric tests. Parametric test for variable and attribute. Test of significance of mean, proportion, difference of means and difference of proportion. Small sample test: Student's t-test - Test of significance of mean and difference of means, paired t - test , test of significance of an observed sample, correlation coefficient. Variance-ratio test: F- test. Analysis of variance: one way and two way classifications. Non-parametric test: Chi- square test for goodness of fit and independence.

6. Correlation and Regression Analysis **L.H 10**
Multiple and partial correlation. Coefficient of multiple determination, Multiple regression equation. Test of regression coefficients. Auto correlation: Durbin-Watson test statistic. Multicollinearity.

Basic Books

- ✓ **Levin, Richard I. and David S. Rubin**, *Statistics for Management*, Prentice Hall of India. New Delhi. 311/125295
- ✓ **Gupta, S.C.**, *Fundamentals of Statistics*, Himalayan Publishing House, Bombay.
- ✓ **Wolff K.Howard and PR Pant**, *A Hand Book for Social Science Research and Thesis Writing*, Budda Academy. , Kathmandu,
- ✓ **Micheal, V.P.**, *Research methods in Management*, Himalaya Publishing House, Bombay.

Reference Books

- ✕ Chandan, Jit, *Statistics for Business and Economics*, Vikash Publishing House Pvt. Ltd.
- ✓ Shrestha, K.N. and K.D. Manandhar, *Statistics and Quantitative Techniques for Management*, Kathmandu.
- ✓ Siegal, Sydney, *Non Parametric Statistics*, Mc Graw Hill, USA.
- ✓ Yamane, Taro, *Statistics : An Introductory Analysis*, Harper International New York
- ✓ Kerlinger, Fred N, *Foundation of behaviour Research*, Surject Publications, Delhi
- ✓ Goode and Hatt, *Methods in Social Research*, Mc Graw Hill Ltd, Tokyo
- ✕ Nachmias Chava and Nachimias David, *Research Methods in Social Science*, Adward Arnold Publishing Ltd., London.
- ✕ Saravanavel, P., *Research Methodology*, Kitab Mahal, Allahabad..

Production and Operations Management

*Course Title: Production and Operations
Management*

Course Number: MSC 502

Nature of the Course: Core

Duration of the Course: 100 lecture hours

Duration of the Class: 60 minutes

Full Marks: 100

Pass Marks: 40

Course Objectives

This course aims to enable the students to understand the important aspects of production mechanism of goods and services and develop the skill of applying operations research tools in production management systems.

Course Description

This course deals on production mechanism of goods and services and includes designing the products and choice of technology, facilities location and layout, production planning and control, inventory control, quality control, maintenance management, productivity management and the overview of new and automated technology to improve production competitiveness in manufacturing and service industries and also operations research tools like programming models, network models, decision making, queuing theory and simulation that are applied in production management systems.

Contents

1. Introduction

LH 10

Concept. Production function. Production vs productivity. Production system. Evolution of production management. Strategic perspective of production management. Forecasting: approach and model. Decision making under risk: EMV, EOL, EVPI, decision tree approach.

2. Designing Products, Processes and Services

LH 5

New products design. Product Development process. Manufacturing process technology. Design of service and service process.

3. Facility Location and Layout Planning

LH 20

Capacity and location decision. Need for facility location planning. General procedure for facility location planning. Facility location models. Behavioural impact in facility location. Layout concept. Basic layouts: process layout, product layout, fixed position layout and

combination layout, behavioural aspect in layout designing. Linear programming: Concept of linear programming. Structure and assumptions of an linear programming problem(LPP). General mathematical model of LPP. Guidelines on LP model formulation. Introduction to Simplex method. Standard form of LPP. Simplex algorithm: maximization and minimization. Types of LPP Solutions: multiple, unbounded and infeasible solutions. Degeneracy. Introduction and formulation of duality. Standard results on duality. Advantages of duality. Transportation problems: Concept of transportation problem. The transportation problem. LP formulation of the transportation problem. Methods for finding initial solution. Test for optimality. Variation in transportation problem: unbalanced problem, degeneracy, alternative optimal solutions. Maximization and minimization of transportation problem. Assignment problems: Concept of assignment problem. Mathematical statement of the problem. Solution methods of assignment problem.

4. Conversion Process

LH 5

Job Design and its physical and behavioural dimensions. Work measurement.

5. Production Planning and Scheduling

LH 20

Capacity planning concept. Aggregate planning process. Master production schedule and behavioural considerations. Intermittent system and scheduling process. Scheduling and control process. Loading. Priority sequencing. Scheduling for job-shop, batch and mass production. Network models: Introduction to networking. Basic differences between PERT and CPM. Steps of PERT and CPM techniques. PERT/CPM network components and precedence relationships. Probability in PERT analysis. Project time cost trade off. Shortest path. Maximum flow problems.

6. Inventory Control and Material Requirement Planning

LH 10

Concept. Inventory system. Inventory control procedure. EOQ. Deterministic inventory model with and without shortages. ABC inventory planning system. Material requirement planning: concept and elements. Manufacturing resource planning and implementation. Purchasing. Materials handling. Simulation model: Meaning, definitions and characteristics of simulation. Types of simulation and their models. Objectives of simulation. Advantages and disadvantages of simulation.

7. Managing for Quality

LH 10

Concept. Quality control. Techniques of quality control. Approaches to quality improvements. Quality circle. Zero-defect program. Traditional and statistical quality control. Acceptance sampling. Control charts for variables and attributes (\bar{X} , \bar{R} , \bar{P}), ISO 9000, Producer's and consumer's risk, Operating Characteristic Curve.

8. Maintenance Management

LH 10

Concept. Types of maintenance management. Choice of maintenance alternatives. Queuing theory: Meaning, definitions and objectives of queuing theory. Problems involving queuing theory. Queuing theory and its essential elements: arrival pattern, queuing discipline, customer behaviour, service mechanism, service discipline and departure pattern. Types of queuing system. Single channel system

9. Productivity Management

LH 5

Concept. Types of productivity and measurement. Factors affecting productivity. Introduction to productivity improvement techniques.

10. Improving Production Competitiveness

LH 5

Overview of the Japanese management. Just in time. Participatory management. Total quality control. Total quality management. Production process change; resistance and remedy. KANBAN system. Kaizan System. Flexible manufacturing system dynamics. Cost control.

Basic Books

- Buffa, Elwood S and Rakesh Sarin**, *Modern Production/Operation Management* and John Wiley and Sons, Singapore.
Adams, Evarett E. Jr., Ronald J. Ebert, *Production and Operations Management*, Prentice Hall of India Ltd.
Hamdy, Taha, *Operations Research : An Introduction*, MacMillan USA.
Hiller, FS and Liberman, G.G., *Operations Research*, Holden Day Inc. USA.
Sharma, J.K., *Operations Research*, Macmillan India .

Reference Books

- Chase, Richard B. and Aquilano, Nicholas J**; *Production and Operation Management*, Irwin Homewood, USA.
Dilworth, James B, *Operations Management*, Mc Graw Hill Inc; Princeton NJ.
Muhlemann, Alam, John Oakland and Keith Lockyer, *Production and operations Management*, Mc Millan India Ltd.
Schroeder, Roger G., *Operation Management*, Oxford & IBH Publishing Co. Pvt Ltd. New Delhi.

Business Economics

Course Title: Business Economics

Course No: ECO 503

Nature of the Course: Core

Duration of the Course: 100 lecture hours

Duration of the Class: 60 minutes

Full Marks: 100

Pass Marks: 40

Course Objectives

This course aims to develop students' knowledge and skill in the tools and techniques of economic analysis applicable to managerial decision making and develop students capacity to analyze the public policy environment in Nepal.

Course Description

This course deals on concept of managerial economics, objectives of the firm, demand analysis, business forecasting, production and pricing theories, profit and investment decision, government and business, macro economic indicators, Nepalese economy, public policy analysis and public policies in Nepal.

Contents

Group A: Managerial Economics

1. Introduction to Managerial Economics

LH 5

Concept and scope of managerial economics. Relationship of managerial economics with other disciplines: traditional economics, decision sciences and business administration. Factors influencing managerial decisions. Use of managerial economics in decision making

2. Objective of the Firm

LH 6

Profit maximization. Value maximization. Sales-revenue maximization with and without constraints. Theory of satisficing. Williamson's model of managerial discretion. Cyert and March's behavioural theory

3. Demand Analysis

LH 5

Demand function. Elasticity of demand: price, income, cross and advertising elasticity - their computation and uses in decision making. Relationship between price elasticity, marginal revenue and total revenue.

4. Business and Economic Forecasting

LH 10

Concept and purposes of forecasting. Approaches to forecasting. Forecasting techniques. Survey techniques. Market studies and experimentation. Time series analysis. Regression analysis. Barometric techniques. Concept of input-output analysis. Criteria of a good forecasting method. Limitations of forecasting.

5. Production Theory

LH 5

Production function and their types. Production with one variable input-optimal employment of input. Production with two variable inputs – optimal employment of two inputs. Returns to scale. Economics of scale.

6. Pricing Theory and Technique

LH 13

Concept of different market structure. Pricing under oligopoly. Cartel/Collusion model. Price leadership model. The kinked demand curve model. Pricing objectives. Determinants of pricing policy. Pricing under different objectives. Cost – plus pricing. Incremental cost pricing. Multiple product pricing. Transfer pricing. Advertising expenditure decision.

7. Profit

LH 2

Concept of economic profit. Reasons for existence of profit. Standards of reasonable profit. Rationale for reasonable profit.

8. Investment Decision

LH 4

Meaning and role of investment decision. Types of investment decisions. Factors influencing investment decisions. Investment appraisal. Concepts and uses of traditional methods (pay back period and average rate of return) and modern methods (NPV, benefit-cost ratio and IRR).

Note: Numerical illustration will have to be used wherever applicable.

Group B: Policy Analysis

1. Introduction

LH 8

Role of government in the economy: regulatory and promotional roles. Government response to market failures. Utility regulation. Price regulation. Antitrust policy. Patent system. Regulation of environment pollution.

2. Macro Economic Indicators

LH 12

Keynesianism vs Monetarism. Saving-investment multiplier. Multiplier theory. Acceleration theory. Inflation. Business cycle. National income. Monetary policy. Fiscal policy. Budgeting. Planning.

3. Nepalese Economy

LH 10

Overview of Nepalese economy. Review of planning in Nepal. Appraisal of current plan. Economic liberalization and policy reforms. Entrepreneurial freedom and privatization. Foreign capital. Multinational companies. Budgeting. Internal borrowing.

4. Introduction to Public Policy Analysis

LH 5

The meaning of public policy. Approach to the analysis of public policy making. Scope and subject matter of public policy analysis. Utility of public policy analysis.

5. Public Policies in Nepal

LH 15

Industrial policy. Commercial policy. Investment policy. Tourism Policy. Agricultural policy. Tax policy. Employment policy. Wage legislation. Environment policy. Privatization policy. Financial policy.

Basic Books

Petersen, H. Craig and W. Cris Lewis., *Managerial Economics*, Macmillan Publishing Company, NY.

✓ Pappas, James L. and Eugene Brigham. *Managerial Economics*, The Dryden Press Press, Hinsdale, Illinois.

Ghosh, Biswanath, *Economic Environment Of Business*, Vikash Publishing House Pvt. Ltd., New Delhi.

Reference Books

Mansfield, Edwin, *Managerial Economics*, W.W.Norton & Co. New York.

✓ Reekie, W. Duncan and Jonathan N. Crook, *Managerial Economics*, Heritage Publishers, New Delhi.

✓ Dean, Joel, *Managerial Economics*, Prentice-Hall of India Private Limited, New Delhi.

Joshi, Shyam, *Managerial Economics*, Taleju Prakashan, Kathmandu.

McCarthy Marilu Hurt, *Managerial Economics with Applications*, Scott, Foresman and Company, Illinois

Shojai, Siamack, *Managerial Economics*, McGraw Hill Inc.

Salvatore, Dominica, *Managerial Economics*, McGraw Hill Inc.

Reejal, Pushkar R., *Fundamental of Public Policy Analysis*, I. Reejal, Kathmandu.

Joshi, Shyam. 1997, *Public Economics and Policy*, Taleju Prakashan, Kathmandu.

Budget Speech, Ministry of Finance/HMG.

Economic Survey, Ministry of Finance/HMG.

Ninth Plan (2054-2059), National Planning Commission/HMG.

Publications of Ministry of Finance, Central Bureau of Statistics, Ministry of Law and Justice.

Organizational Behaviour and Human Resources Management

*Course Title: Organizational Behaviour and
Human Resources Management*

Course No: MGT 504

Nature of the Course: Core

Duration of the Course: 100 lecture hours

Duration of the Class: 60 minutes

Full Marks: 100

Pass Marks: 40

Course Objectives

This course aims to familiarize the students with individual and group behaviour dynamics in the context of different organizations and social systems. It also provides the students with insights into the concepts, approaches, techniques and issues in managing the different dimensions of human resources of an organization.

Course Description

This course provides a basic framework for understanding the organizational behaviour and includes organizational behaviour concepts, individual behaviour factors, group behaviour analysis, leadership, communication, conflict management, and organizational change and development. The course also deals in the management of the human resources in the organization and includes development of human resources management, HRM system and environment, job design, human resource planning, recruitment and selection, human resource development system, employee training and management development, career planning, performance evaluation, compensation and labour relations.

Contents

Group A: Organizational Behavior

1. Introduction

LH 4

Concept of organizational behaviour (OB). OB system. Basic assumptions of OB. Levels of OB analysis. Contribution disciplines to the field of OB. Critical behavioural issues confronting the managers. Emerging trends in OB.

2. Understanding Individual Behaviour

LH 3

Behaviour as an input-output system. Biological foundation of Behaviour. Sensation, higher mental process, beliefs, attitudes, values, needs, motives and behaviour.

3. Perception and Learning

LH 8

Concept. Perceptual set in organizational settings. Principles of perceptual selection. Person's perception. Factors influencing perception. Perception and individual decision making. Definition and significance of learning. Major models of learning - classical conditioning, operant conditioning, cognitive theories, social learning theory. Behaviour modification. Principles of learning. Attitude formation.

4. Personality

LH 5

Concept. Personality traits and characteristics. Determinants of personality. Personality and behaviour. Major personality attributes influencing OB. Matching personality and jobs.

5. Motivation

LH 6

Theories of motivation: hierarchy of needs, motivation - hygiene theory, ERG theory, McClelland's theory of needs, equity theory, expectancy theory, reinforcement theory. Managerial application of motivation theories. Issues in motivation. Job satisfaction. Measuring job satisfaction: employee surveys, the effects of job satisfaction on employee performance, alienation and frustration.

6. Groups in Organizations

LH 6

Concept. Role, status, authority, power and norms. Classification of groups. Stages of groups development. Nature and significance of informal groups. Group structure. Group processes. Group task. Team work. Self-managed work teams. Quality circles. Group decision making. Issues in managing work teams.

7. Leadership

LH 4

Concept. Leadership style. Trait theories. Behavioural theories. Contingency theories. Emerging approaches to leadership. Contemporary issues in leadership.

8. Communication

LH 4

Communication system. Communication networks. Barriers to effective communication. Methods of securing effective employee communication. Current issues in communication.

9. Conflict Management

LH 4

Concept. Nature and types of inter-group conflict. Dynamics of inter-group conflict. Sources of conflict: assertive behaviour. Transactional analysis. Approaches to conflict management.

10. Organizational Change and Development

LH 6

Forces for change. Managing planned change. Resistance to change. Approaches to managing organizational change. Strategic models of organizational change. Organizational Development. OD Values and OD interventions: Steps in OD. Objectives and goals of OD. The OD process. Prerequisites to OD. Approaches to OD.

Group B: Human Resources Management

1. Human Resource Management (HRM) Concept

LH 3

Concept and characteristics of HRM. Development of HRM concept. The rising interest in HRM. Personnel management vs. human resources management. Objectives of HRM. Strategic role of HRM.

2. HRM System

LH 3

Concept of HRM in an organization: its roles and responsibilities. HRM model: input, process and output components. Organizational outcomes of HRM system. HRM programmes and policies. Organization of HRM functions.

3. HRM Environment

LH 4

Elements of HRM environment. External environment: physical, technological, social, political and legal. Labour market and economic elements of the external environment. The internal environment of an organization affecting HRM. Changing role of HRM in Nepalese organizations.

4. Job Design

LH 6

Role of jobs in an organization. Concept, basis and approaches of job design. Impact of job design on motivation, productivity and QWL. Job analysis system. Methods used to study jobs. Methods of collecting job information. Job description and job specification: Contents and formats. Values of written job requirements.

5. Human Resource Planning (HRP)

LH 6

Concept and approaches to HRP. Requirements for effective HRP. Role of information system in HRP. Relationship of HRP to strategic

planning. Methods and techniques of determining HR requirements. Human resource forecasts: Markov analysis, Delphi technique, trend analysis and other methods of forecasting.

6. Recruitment and Selection

LH 6

Concept. Developing recruitment policies. Recruitment methods and process. Recruitment planning. Sources of manpower. Selection process. Selection tests. Precautions in using selection tests. Interviews: types, limitation of interviews. Physical examination. Selection decision. Orientation and socialization.

7. Human Resource Development (HRD) System

LH 3

Concept of HRD. Need for HRD. Principles in designing HRD. HRD mechanisms. Managing quality and productivity.

8. Employee Training and Management Development

LH 6

Determining training needs. A systems approach to training. Training non-managerial employees: on-the-job and off-the-job trainings. Issues in designing and conducting training programmes. Management development: techniques of on-the-job and off-the-job training for managers and supervisors. Evaluation of training programs: methods and processes.

9. Career Planning

LH 3

Concept. Need for career planning. Career planning and succession planning. Process of career planning and development. Purpose and objectives of career planning.

10. Performance Evaluation (PE)

LH 3

Concept. Development of PE programme. Selection of performance criteria. Performance evaluation methods: MBO and other methods of performance evaluation. Feedback of evaluation. Evaluation interviews.

11. Compensation

LH 3

An overview of pay system mechanics. Determinants of pay structure and level. Job evaluation system and methods. Government regulations of compensation. Pay for performance and incentive systems. Gain-sharing. Establishing pay plans.

12. Labour Relations (LR)

LH 4

Concept. The actors and process of LR. Unionism. Labour disputes: their causes and settlement of disputes. Discipline and grievance

handling. Collective bargaining. Labour legislation. Contemporary issues in labour relations in Nepal.

Basic Books

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Cascio, Wayne F., *Managing Human Resources*, McGraw Hill.

Chruden H.J. and A.W. Sherman, *Managing Human Resources*, Southwestern Publishing Co.

Dessler, Gary, *Human Resource Management*, Prentice Hall of India, New Delhi.

- Robbins, Stephen P., *Organizational Behaviour: Concepts, Controversies and Application*, Prentice Hall of India New Delhi.

- Arnold, H.J. and D.C. Fieldman, *Organizational Behaviour*, McGraw - Hill.

Dwivedi, R.S., *Human Relations and Organizational Behaviour: A Global Perspective*, Macmillan India Ltd, Delhi.

Reference Books

Beardwell, Ian and Len Holden, *Human Resources Management*, Macmillan, India.

Armstrong M., *A Handbook of Human Resources Management*, Aditya Books, New Delhi.

Pieper R. (ed), *Human Resource Management : An International Comparison*, Walter de Gruyter, New York.

Verma, Pramod, *Emerging Issues in Human Resources Management*, Oxford and IBH, New Delhi.

- Szilagyi, A.D. and M.J. Wallace, *Organizational Behaviour and Performance*, Scott, Foreman and Co. Dallas.

Mitchell, T.R and J.R. Larson, *People in Organizations: An Introduction to OB*, McGraw-Hill.

Arnold, J. , I.T. Robertson and C.L.Cooper, *Work Psychology: Understanding Human Behaviour in the Workplace*, Macmillan India Ltd., Delhi.

- Davis, Keith and J.W. Newstrom, *Human Behaviour at Work : Organizational Behaviour*, McGraw - Hill.

Business Policy and Environment

Course Title: Business Policy and Environment

Course No: MGT 505

Nature of the Course: Core

Duration of the Course: 100 lecture hours

Duration of the Class: 60 minutes

Full Marks: 100

Pass Marks: 40

Course Objectives

This course aims to impart analytical tools and approaches for strategy formulation in order to enable students to understand, analyze and formulate corporate strategies and policies. The course also aims to provide the students with board perspective of business environment in Nepal, Asia and the world.

Course Description

This is a core course dealing in business policy and strategy that includes corporate strategy, elements and process of strategic management, environment analysis, resource and strategic advantage analysis, strategic options, strategy formulation and choice, strategy implementation and choice, and managing strategic change. This course also deals on the concepts of business environment, social responsibility of business, and an overview of the Nepalese, Asian and Global business environment.

Contents

Group A: Business Policy

1. Introduction to Corporate Strategy

LH 12

Concept. Importance and characteristics of strategic decision. Concept of strategic planning and strategic management. Importance of strategic management in Nepal. Elements and process of strategic management. Objectives: levels of objectives and formulation of objectives. Levels of strategy. Strategic management process. Role of chief executive officer (CEO) in strategy formulation and implementation.

2. Environment Analysis

LH 8

Nature of environment. Auditing environmental influences. PEST (political/legal, economic, socio-culture, and technological analysis. Use of scenarios. Structural analysis of the competitive environment: entry, buyers and suppliers, substitutes, competitive rivalry. Identifying the organization's competitive position. Competitor. Strategic group.

Market power, market share and market growth. Market attractiveness and business strength. Environment scaling. Environment threat and opportunity profile (ETOP). Determination of opportunities and threats through environment analysis.

3. Analysis of Resource and Strategic Advantage **LH 4**
Concept. Resource audit. Value-chain analysis: resource utilization, cost efficiency, effectiveness analysis, control resources and financial analysis. Comparative analysis. SWOT analysis.

4. Strategic Options **LH 6**
Generic strategies. Market based generic strategies. Sustaining and operationalizing generic strategies. Directions for strategy development. Withdrawal, consolidation, market penetration, product development, market development and diversification. Methods of strategy development. Internal, mergers and acquisitions. Joint development and strategic alliances.

5. Strategy Formulation and Choice **LH 8**
Process of strategy formulation. Evaluation of strategic alternatives. Evaluation criteria: suitability, feasibility and acceptability. Portfolio analysis: BCG matrix, GE's business screen, Hofer's product-market evolution matrix and public sector portfolio matrix. Screening options: bases for comparison, ranking, decision trees and scenarios. Time, continuity. Analyzing return, profitability, cost/benefit and shareholder value. Analyzing risk. Projections of financial ratio, sensitivity analysis and decision matrices. Simulation modeling. Heuristic models. Feasibility analysis. Funds flow. Break-even. Resource development. Strategic detection and choice.

6. Strategy Implementation **LH 8**
Process of strategy implementation. Resource planning at the corporate level. Resource planning at the business level. Preparing resource plans. Organization structures for strategy implementation: simple, functional, multidivisional, holding company, matrix. Structure for multinational companies. Elements of organizational design. Strategic control. Organizational configuration. Management systems and control: process and criteria for control. Measurement feedback and corrective mechanisms.

7. Managing Strategic Change **LH 5**
Process of strategic change. Diagnosing strategic change needs. Managing the strategic change process. Leadership and change agency.

Group B: Business Environment

1. Introduction

LH 5

Concept and importance of the study of business environment. Components of business environment: economic, social, political, legal and technological environment.

2. Social Responsibility of Business

LH 5

Concept. Strategies and approaches. Corporate accountability. State regulations. Social audit: concept, evolution, features and models. Business and society: business - government relations. Development projects and people. Consumerism.

3. Nepalese Business Environment

LH 20

Growth of industry. Manufacturing sector: number of establishments, employment and capacity utilization. Public sector manufacturing enterprises. Other major industries: tourism, transport, construction, trade and services, financial and consulting services. Informal sector. Major export industries: carpet, garment, agro-based, forest based and leather. Import substituting industries. Major constraints and problems facing Nepalese industrial sector. Politics and business. Status of technology in Nepalese industry. Technology and human factors. Technology policy of the government. Problems of managing technology. Energy supply and costs. Pollution control regulations. Environment protection. Patent and Copyright laws and regulations. Structure of Nepal's foreign trade. Problems of trade and transit. Institutions for promotion of industry and trade.

4. Asian Business Environment

LH 10

Structure, growth, market size and market potentials of the SAARC member countries. SAPTA and SAFTA: its impact in the South-Asia regional trade and joint ventures. The economic dynamics of India and China and its impact on Nepal's business sector.

5. Global Business Environment

LH 10

Nature of globalization. Global economic boom. Structure and size of world trade. International trade: problems and prospects. Multinational companies: problems associated with MNCs. Effects of international environment on domestic business. World Trade Organization: Nepal's membership and its impact in the Nepalese economy.

Basic Books

- 85985
98
8702
200
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J
20
- Aswasthappa K., *Business Environmental for Strategic Management*, Himalayan Publishing House, Mumbai.
- Fahey, Lian and V.K. Narayanan, *Macro Environmental Analysis and Strategic Management*, West Publishing Co.
- Johnson G. and K. Scholas, *Exploring Corporate Strategy*, Prentice Hall of India, New Delhi.
- Jaucn, Lawrence R. and William F. Glueck, *Business Policy and Strategic Management*, McGraw Hill International Edition, New Delhi. ✓

Reference Books

- Ball, Donald A. and W.H. McCulloch, *International Business*, Business Publications, Plano, Texas.
- Sundaram, Ananta K. and J.S. Black, *The International Business Environment*, Prentice Hall of India
- 6072
172
45
Pearce, John A. II and Richard B. Robinson Jr., *Strategic Management*, Richard D. Irwin Inc.
- Christensen, C. Ronald, Kenneth R. Andrews, Joseph L. Bower, *Business Policy*, Richard D. Irwin, Homewood, Illinois.
- McCarthy, Minniechello and Curren, *Business Policy: Text and Readings*, Levinson, William A., *The way of Strategy*, Tata McGraw - Hill, New Delhi.
- Porter, M.E., *Competitive Strategy*, Free Press, New York .
- Kazmi, Azhar, *Business Policy*, Tata McGraw Hill, New Delhi. ✓
- HMG's Development Plans, Policies, Related laws and Regulations.
- CBS, Statistical Pocket Book, Kathmandu.

Entrepreneurship Development

Course Title: *Entrepreneurship Development*

Course No: *MGT 506*

Nature of the Course: *Core*

Duration of the Course: *50 lecture hours*

Duration of the Class: *60 minutes*

Full Marks: *50*

Pass Marks: *20*

Course Objectives

The purpose of the course is to prepare students for the possibility of starting their own entrepreneurial ventures. The course emphasizes on improving the skills of the students to identify venture opportunities and prepare a business plan.

Course Description

The Course introduces students to the process of entrepreneurship and the role of the entrepreneur in initiating and developing new ventures. As a part of the course, students will prepare a comprehensive business plans for starting or acquiring a business. The course thus requires a project work in the internal evaluation which carries 10 (20%) marks.

Contents

1. Overview of Entrepreneurship

LH 8

Concept, theories and characteristics of entrepreneurship. Entrepreneurial opportunities. Entrepreneurial roles and functions. Types of entrepreneur. Entrepreneurial styles. Motivation and mobility of entrepreneur. Entrepreneurship competencies. Women entrepreneurship. Growth of entrepreneurship in Nepal. Role of entrepreneurship in economic development.

2. Factors affecting Entrepreneurship Growth

LH 3

Economic and non-economic factors. Government policies and actions. Environmental conditions and competition.

3. Entrepreneurship Competency Development (ECD)

LH 10

Self-assessment. Needs for ECD. Objectives of ECD. Phases of ECD. Evaluation of ECD. Entrepreneurship competency development programmes in Nepal.

4. Project Identification and Selection

LH 12

Business opportunity identification. Business idea selection. Feasibility studies. Site selection. Managerial, financial, marketing and production

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Contents

- 1. Overview of Entrepreneurship** **LH 8**
Concept, theories and characteristics of entrepreneurship. Entrepreneurial opportunities. Entrepreneurial roles and functions. Types of entrepreneur. Entrepreneurial styles. Motivation and mobility of entrepreneur. Entrepreneurship competencies. Women entrepreneurship. Growth of entrepreneurship in Nepal. Role of entrepreneurship in economic development.
- 2. Factors affecting Entrepreneurship Growth** **LH 3**
Economic and non-economic factors. Government policies and actions. Environmental conditions and competition.
- 3. Entrepreneurship Competency Development (ECD)** **LH 10**
Self-assessment. Needs for ECD. Objectives of ECD. Phases of ECD. Evaluation of ECD. Entrepreneurship competency development programmes in Nepal.
- 4. Project Identification and Selection** **LH 12**
Business opportunity identification. Business idea selection. Feasibility studies. Site selection. Managerial, financial, marketing and production

requirements. Identification of pre-launch activities. Project preparation. Scheme and strategy of venture launching. Preparing a venture project report.

5. Project Appraisal

LH 12

Concept. Methods of project appraisal: economic analysis, financial analysis, market analysis, technical feasibility assessment and environmental constraints and facilities.

6. Institutional Support to Entrepreneurship

LH 5

Need for institutional support. The government agencies. Specialized agencies. Consultancy services. Institutional finance. Input supply. Marketing services. Industrial estates. Institutional support to entrepreneurs in Nepal.

Basic Books

Khanka S.S., *Entrepreneurial Development*, S. Chand and Co. , New Delhi.

Kuratko F. and R.M. Hodgetts, *Entrepreneurship: A contemporary Approach*, The Dryden Press, Forth Worth, Texas.

Englemann, R (ed) *Small Business*, Stellagraphic.

Management Accounting

Course Title: Management Accounting

Course No: ACC 507

Nature of the course: Core

Duration of the course: 50 lecture hours

Duration of the Class: 60 minutes

Full Marks: 50

Pass Marks: 20

Course Objectives

This course aims to help the students to acquire in-depth knowledge of management accounting, and encourage them to apply these accounting tools and techniques in planning, control and decision making functions.

Course Description

This course tries to distinguish between trusteeship and controllership functions. It measures income under variable and absorption costing. The course also includes CVP analysis, and decision regarding alternative choices. It also deals on behavioural aspect of planning and control in master budgeting and standard costing.

Contents

1. Management Accounting Concept

LH 4

Concept, scope and objectives of management accounting. Controllership function, responsibility and limitations. Cost accumulation, classifications, allocations and presentation. Cost estimation and regression analysis. Cost allocation and reporting.

2. Income Recognition, Measurement and Reporting

LH 3

Variable and absorption costing.

3. Cost Volume Profit Analysis

LH 5

Applications of CVP for break even analysis and profit planning including multi-product concept. CVP under condition of uncertainty. CVP under constrain. Linear programming models for planning. Single and multiple product constraint. Short and long term planning considerations.

4. Planning and Control System

LH 8

Budgeting and profit planning. Master budgeting. Standard cost and control for direct materials and direct labours under conditions of

certainty and uncertainty. Flexible budgeting and overhead cost control.
Responsibility accounting.

4. Decision Regarding Alternative Choices

LH 6

Make or buy. Drop or continue. Accept or reject a special offer.
Replacement of assets. Processing a joint product. Leasing or purchase.

6. Pricing Decision

LH 3

Full cost and variable cost pricing. Target ROI pricing. ABC pricing.
Targeted cost pricing. Transfer pricing in decentralized conditions.

7. Financial Statement Analysis

LH 7

Limitation of historical financial statements. Ratios analysis for
management performance analysis: productivity, profitability, activity,
stability and possibility. Ratio analysis on behalf of prospective lenders
and investors. Cash – flow analysis.

8. Investment Analysis

LH 14

Concept of capital budgeting. Cash flow and profit and loss accounts.
Investment analysis techniques: ARR, PB, NPV and IRR. Economic
analysis of project: cost benefit analysis. Risk in capital budgeting:
standard deviation, probability distribution approach, decision tree.
Foreign investments and foreign currency transactions.

Basic Books

Kaplan, Robert S., Anthony A. Atkinson, *Advance Management Accounting*.
Prentice Hall of India. 658-15111K141a

Colin, Drury, *Management and Cost Accounting*, ELBS, London 6581 D8245m

Hilton, Ronald W, *Managerial Accounting*, Mc. Graw- Hill, Inc. 65815N/H 567m

Reference Books

Lucey, T., *Management Accounting*, ELBS London.

Hornigren CT, Foster G, Datar SM, *Cost Accounting: A Managerial
Emphasis*, Prentice Hall of India, New Delhi. 657-y H784C4P

Lynch, RM & Williamson, *Accounting for Management*, Tata Mc Graw Hill,
India.

Khan MY, Jain PK, *Management Accounting*, Tata Mc Graw Hill.

Goyal M.M., *Principles of Management Accounting*, Sahitya Bhawan, Agra.

Dangol RM, *Management Accounting*, Talaju Publication, Kathmandu.

Stickman, P. Clyde, *Financial Statement Analysis*, Harcourt Brace Jorrorich
(HBJ) Publishers, New York

Corporate Financial Management

Course Title: Corporate Financial Management

Course No: FIN 508

Nature of the Course: Core

Duration of the Course: 50 lecture hours

Duration of the Class: 60 minutes

Full Marks: 50

Pass Marks: 20

Course Objectives

This course aims to provide the students with an understanding of the concept and principles of finance together with a knowledge of the analytical techniques for developing skills in their application required for making investment, financing, and dividend decisions.

Course Description

This course provides an overview of corporate financial management with a special emphasis on nature of finance, financial analysis, financial forecasting, capital assets pricing model, capital budgeting, valuation, cost of capital, current assets management, and dividend policy. The course also provides the overview of these topics in the context of Nepal.

Contents

1. Nature of Finance

LH 4

Importance of managerial finance. Responsibilities of financial managers. The finance function. Agency relationships. Shareholders versus managers and creditors. Goals of the firm: profit maximization and value maximization.

2. Financial Analysis, Planning and Forecasting

LH 4

Types of financial ratios. Predictive power, users, and limitations of financial ratios. Financial Planning: Overall financial planning models. Du Pont system of financial planning and control. Financial forecasting: percent of sales and regression methods.

3. Risk and Return Theory

LH 6

Risk and return theory: An individual's point of view. Mean-variance indifference curves. Risk and return: Objects of choice, mean and variance of single assets. Mean and variance of portfolio of assets. Expected return on a portfolio of assets. Variance of a portfolio. Correlation and covariance. Portfolio opportunity set and the efficient set. Optimal choice: individual's point of view. Market equilibrium:

capital market line. Pricing inefficient portfolios. The CAPM and the security market line.

4. Capital Budgeting

LH 6

Categories of capital budgeting decisions. Evaluation of alternative ranking methods in capital budgeting: cash payback, discounted cash payback, accounting rate of return, net present value, internal rate of return. Comparison of NPV and IRR methods. Net terminal value. Opportunity cost return. Profitability index. Perpetuity rate of return. Replacement decision. Projects with different lives. Capital rationing.

5. Valuation and Cost of Capital

LH 7

Valuation: general valuation model, valuation of bond, preferred stock and common stock. Cost of capital: significance of calculating firm's cost of capital, cost of debt, cost of preferred stock, cost of internal and external equity, weighted average cost of capital, marginal cost of capital, breaks in marginal cost of capital schedule.

6. Financial Structure

LH 4

Financial leverage. Financial leverage and risk. Financial leverage and equity risk. Financial leverage and operating leverage. Investment and leverage. Factors affecting financial structure.

7. Working Capital Management

LH 10

Concept and importance of working capital. Risk-return trade-off for current assets investments. Cash management: functions of cash management, motives for holding cash, cash budgeting, managing collections, control of disbursements, electronic funds transfer, balancing cash and marketable securities, models for determining optimal cash, inventory model and stochastic model. Receivables management: credit and collection policies, credit standards, credit terms, default risk and collection policy, monitoring receivables management: days' sales outstanding and aging schedule. Inventory management: controlling investment in inventories, classification of inventory costs, the economic order quantity (EOQ) model, relationship between sales and inventories, inventory policy with lead time, EOQ model with uncertainty, safety stock, inventory and the financial manager.

8. Dividend Policy

LH 5

Dividend payments. Payment procedure. Factors influencing dividend policy. Dividend policy behaviour. Dividend payout schemes. Stock dividends. Stock splits. Repurchase of stock.

Basic Books

- Van Horne, James C., *Financial Management and Policy*, Prentice Hall of India, New Delhi.
- ✓ Weston, J. Fred and Thomas E. Copeland, *Managerial Finance*, The Dryden Press, New York. 658-15/ W528M

Reference Books

- ✓ Brigham, Eugene F. and Louis C. Gapenski, *Financial Management: Theory and Practice*, The Dryden Press, New York.
- Brealey, Richard and Stewart Myers, *Principles of Corporate Finance*, McGraw Hill Book Company, New York
- ✓ Levy, Haim and Marshall Sarnat, *Principles of Financial Management*, Prentice Hall Inc., New Jersey.
- Hampton, John J., *Financial Decision Making: Concepts, Problems and Cases*, Prentice Hall of India, New Delhi.
- Scherr, Frederick C., *Modern Working Capital Management*, Prentice Hall of India, New Delhi.
- Hill, Ned C. and William L. Sartoris, *Short-Term Financial Management*, Macmillan Publishing Company, New York.
- Moyer, R. Charles, James R. McGuigan and William J. Kretlow, *Contemporary Financial Management*, West Publishing Company, New York.
- Shrestha, Manohar Krishna, *Financial Management*, Curriculum Development Centre, Kathmandu.
- Pradhan, Radhe S., *Management of Working Capital*, National Book Organization – Publishers and Distributors, New Delhi.
- Pradhan, Radhe S., *Public Corporations of Nepal: A Study of Financial Ratios*, National Book Organization – Publishers and Distributors, New Delhi.

Marketing Management

Course Title: Marketing Management
Course No: MKT 509
Nature of the course: Core
Duration of the course: 50 lecture hours
Duration of the Class: 60 minutes

Full Marks: 50
Pass Marks: 20

Course Objectives

The objective of the course is to equip the students with knowledge and skills in order to take decisions in the area of marketing management.

Course Description

This course deals on the management aspects of marketing. It includes a study of the marketing system and organization, environment and segment analysis, information systems, demand analysis, buyer analysis and competitor analysis, strategic marketing planning, implementation of marketing program and marketing control.

Contents

1. Introduction

LH 4

Meaning and concepts of marketing. The marketing concepts: production, product, selling, marketing and societal marketing concepts. Basic principles of the marketing concept. Marketing mix. System approach in marketing.

2. Marketing Management

LH 6

The evolution of the marketing department. Organizing the marketing department. Marketing department's relations with other departments. Building marketing orientation in the organization. The marketing process: analyzing marketing opportunities, developing marketing strategies; marketing program planning; and managing the marketing mix. The elements of marketing management: planning, implementation and control.

3. Marketing Environment and Segment Analysis

LH 6

Needs and trend analysis in the micro and macro environment. The Nepalese marketing environment. Environmental scanning and analysis. Segmentation variables for consumer, industrial and institutional markets. Evaluation and selection of market segments.

4. Marketing Information System and Demand Analysis LH 6

Concept and components of marketing information system: internal report system, marketing intelligence system, marketing research system and decision support system. Trends in marketing information technology. Measures of market demand. Methods of estimating current and future market demand.

5. Buyer Analysis LH 8

Customer value and satisfaction: value chain and value-delivery network; cost of lost customer; customer retention; and relationship marketing. Total quality marketing. Consumer analysis: consumer-buying process. Factors affecting consumer buying decisions: economic, psychological, social and cultural factors. Organizational buying process. Factors affecting organizational buying: environmental, organizational, interpersonal and individual factors.

6. Competitor Analysis LH 4

Concepts of competition. Building competitor related strategies: identifying competitors' strategies and objectives; assessing competitors' strengths and weaknesses; estimating reaction patterns; designing the intelligence system; selecting competitors to attack and avoid; and balancing customer and competitor orientations.

7. Strategic Marketing Planning LH 6

Corporate strategic planning: corporate missions; strategic business units; assigning resources to SBUs: BCG model, GE model, portfolio models. Strategic marketing planning: business missions; opportunity and threat analysis; strength and weakness analysis; goal formulation; strategy formulation; program formulation. Contents of a marketing plan.

8. Implementation of Marketing Program LH 7

New product development process. Product differentiation and positioning. Designing product support services. Managing marketing strategies in the life cycle stages. Selecting the pricing objectives and pricing methods. Channel and logistic management decisions. Selecting the promotion mix. Implementation of the strategic plan

9. Marketing Control LH 3

Feed-back and control in marketing. Types of marketing control: annual plan control; profitability control; efficiency control and strategic control.

Basic Books

- Kotler, Philip, *Marketing Management: Analysis, Planning and Control*, Prentice Hall India.
- x Aaker, Davids, *Strategic Marketing Management*, John Wiley & Sons, New York.

Reference Books

- Guiltinan and Paul, *Marketing Management: Strategies and Programs*, Prentice Hall India.
- Luck, David J. and O.C. Ferrel, *Marketing Strategy and Plans*, Prentice Hall India, New Delhi
- Abell, Derek F. and John Hammond, *Strategic Market Planning*, Englewood Cliffs, Prentice Hall International.
- Adler, Lee, *Ploting Marketing Strategy*, Business Books Ltd. London.
- Bill Martin, L. *Marketing Concepts and Strategies*, Houghton Mifflin Company, Boston.
- Cravens, W.J.E., GE Mills and R.B. Woodruff, *Marketing Decision Marketing: Concepts and Strategies*, Richard D. Irwin, Homewood Illinois.
- Foxall, Gordon R., *Strategic Marketing Management*, Croom Helen & John Wiley & Sons, London
- Ramaswmy and Namakumari, *Marketing Management: Planning, Implementation and Control*, Macmillian India Ltd.
- Agrawal, Govinda Ram, *Marketing in Nepal*, Educational Enterprise, Kathmandu.

Management Information System

Course Title: Management Information System

Course No: MSC 603

Nature of the course: Specialization

Duration of the course: 100 lecture hours

Duration of the Class: 60 minutes

Full Marks: 100

Pass Marks: 40

Course Objectives

This course aims to provide an understanding of a good information system for decision making and develop students' skill in the analyzing and designing of the information system in an organization.

Course Description

The course deals with the information system analysis and design in the context of organization, strategic management and decision making. It is computer based course that includes designing and developing MIS.

Content

1. Introduction

LH 15

Information and decision-making. Role and importance of MIS: approaches to management, functions of manager, managers and the environment, management as a control system, MIS - a support to management. System view of business. Impact of information system in the organization and the society.

2. Strategic Management and MIS

LH 15

MIS - a tool for management process. MIS in the different organization structures. Organization as a system and MIS. Strategic management and MIS. MIS for business planning.

3. Management Information System for decision making

LH 20

Decision making and MIS: decision methods, tools and procedures. Information: concept and classification of information, methods of information collection, value of information, information processing, and filtering of information.

4. System Analysis and Design

LH 30

Need for system analysis. Analysis of existing information system. System analysis of the new requirement. System development model. System development methods: structured system analysis and design (SSAD), computer system design. Analysis of alternate systems.

Choice of information technology. System life cycle: long range plan of MIS. Feasibility analysis. Existing system design, input, output and processing, user-oriented design. Design tools: flow charts and decision tables, review of system design, implementation of system design.

5. Application of Management Information System **LH 20**
Application of MIS in manufacturing and service sectors. Decision Support Systems. Enterprise Management Systems.

Basic Books

- ✓Jawadekar W.S., *Management Information Systems*, Tata McGraw Hill.
- Lucas Henry C. Jr., *Information System Concepts for Management*, McGraw Hill Series in MIS
- Hawryszkiewicz I.T., *Introduction to System Analysis and Design*, Prentice hall of India.

Reference Books

- Thierauf Robert J., *Decision Support Systems for Effective Planning and Control*, Prentice Hall Inc.
- Murdick Robert G., Joel E. Ross and James R. Claggett, *Information System for Modern Management*, Prentice Hall of India.
- Gupta AK and JK Sharma, *Management of Systems*, McMillan India Ltd.

Decision Support System

Course Title: Decision Support System

Course No.: MSC 604

Nature of Course: Specialization

100Duration of Course: 100 Hours

Duration of the class: 60 Minutes

Full marks:

Pass marks: 40

Course Objectives

This course aims to develop students, understanding on the systems design for decision making in an organization and provide to them skills in applying the Decision Support System model in short and long-range planning.

Course Description

The course includes the relationship between MIS and DSS, feasibility and implementation of DSS, effective strategic planning, management and operational control of DSS and redesign of work for effective planning and control of DSS.

Contents

1. Introduction

20 LH

Information System and decision support system (DSS). Relationship between existing information system and the decision system of the organization. Information needs for managerial decision making: strategic, tactical and operational information. Decision support system: the new approach for problem solving.

2. Decision Support System (DSS)

10 LH

Essential characteristics of DSS. Management work station in a DSS environment. Framework for the decision making process: types of managerial activities and decision, values affecting managerial decisions, ways for viewing decision making process.

3. Types of Decision Support Systems

15 LH

Attributes of DSS: flexibility, simple models, database. Approaches to decision making process through DSS. OR models: optimization models, queuing models, network models, scheduling, simulation. Mathematical and statistical models in DSS. Behavioural science models in DSS.

4. System Analysis and Design of DSS

20 LH

Key factors of successful DSS: system development process, management, users and system analyst. Feasibility study of DSS. System analysis of DSS. System design of DSS. Implementation of DSS: equipment specification for DSS, equipment selection for DSS and system implementation of DSS, periodic review of new system approaches.

5. Effective Planning with DSS

15 LH

Corporate planning and control, strategic approach to assist top management. Effective corporate planning: marketing, finance.

6. Redesign of Work for Effective Control of DSS

20 LH

Relationship of operational information to DSS. Productivity. Current development and programmes of work redesign. Total human utilization program. Relationship of work redesign and DSS.

Basic Books

✓ **Thierauf Robert J.**, *Decision Support Systems for Effective Planning and Control: A case study approach*, Prentice-Hall Inc.

Reference Books

Lucas Henry C. Jr., *Information System Concepts for Management*, McGraw Hill Series in MIS

Murdick Robert G., Joel E. Ross and James R. Claggett, *Information System for Modern Management*, Prentice Hall of India.

Gupta AK and JK Sharma, *Management of Systems*, McMillan India Ltd.

Jawadekar W.S., *Management Information Systems*, Tata Mcgraw Hill.

Productivity Management

Course Title: Productivity Management

Course No.: MSC 605

Nature of Course: Specialization

Duration of the course: 100 Hours

Duration of the Class: 60 Minutes

Full Marks: 100

Pass Marks: 40

Course Objective

The course aims to provide the students with the knowledge and understanding of productivity management and developing their skills on using approaches, tools and techniques of productivity management, particularly in the context of Nepal.

Course Description

The course deals on productivity concepts, productivity improvement factors, productivity measurement and analysis, productivity evaluation and planning, productivity improvement tools and techniques in the context of manufacturing and service organizations of Nepal.

Contents

1. Introduction

LH 10

Concepts: traditional and holistic. Types and levels of productivity. Importance and role of productivity in manufacturing and service organizations. Productivity improvement factors: internal and external factors. Productivity cycle.

2. Productivity Management and Analysis

LH 25

Concept of measurement: capital and labour. Approaches to productivity measurement: total productivity model, partial productivity model, and relationship between partial and total productivity measurements. Productivity measurement at macro and micro-levels, international level, national level, industry group level, company level, unit level and individual level using index approach, quick productivity appraisal approach, production function approach, financial ratio approach, input and output approach, value added measurement approach, and inter-firm comparison approach. Bench marking.

3. Productivity Evaluation and Planning

LH 20

Evaluation of productivity between successive time period and within a given time period. Planning and implementation of productivity plans and programmes in an organization: short term and long term.

4. Productivity Improvement Techniques

LH 25

Productivity improvement needs. Productivity improvement techniques: technology and process technology based, material and input based (inventory control, materials requirement planning, materials handling, energy efficiency, and others), human resources based (effective human resources management, learning curve and others), product based (product diversification, simplification, standardization, and research and development), organization based (organization development, productivity improvement circle, business process reengineering, appreciative inquiry, total quality management and others).

5. International Productivity Comparison and Productivity Movement in Nepal and Nepalese Organizations

LH 20

International and regional productivity: comparison of productivity; analysis of causes for difference in increase in productivity, and future prospects for productivity. Productivity movement in Nepal: national efforts in productivity drive and development of national and regional productivity institutions, co-operation and linkages with international and regional productivity organizations and productivity promotion through productivity awards. Productivity in Nepalese manufacturing and service organizations: present productivity status and mechanism for organizational productivity promotion, enhancement, motivation and gain sharing in Nepalese organizations. Issues, problems and prospects of productivity enhancement in Nepalese organizations.

Basic Books

Prokopenko, J and North, K.(eds.), *Productivity and Quality Management*, Joint ILO, Geneva and APO, Tokyo Publication.

Shimizu, M., Wainai, K., and Avedillo-Cruz, E., *Value Added Productivity Measurement and Its Practical Applications*, Japan Productivity Center for Socio-economic Development Publication, Japan.

Prokopenko, J., *Productivity Management*, Oxford & IBH Publishing Co. Pvt. Ltd., New Delhi.

Sumantha, D.J., *Productivity Engineering and Management*, Mc Graw Hill Book Co.

Reference Books

Christopher, William F.; Thor, Carl G. (eds.): *Handbook on Productivity Measurement and Improvement*, Portland, Oregon, Productivity Press.

Sink, D. Scott: *Productivity Management: Planning, Measurement and Evaluation Control and Improvement*, New York, Wiley.

Senge, P., Ross, R., Smith, B., Roberts, C., Kleiner, A.: *The Fifth Discipline Fieldbook*, Mantam Doubleday Dell Publishing Group. Inc., New York.

Belcher, J.G.: *Productivity Plus*, Gulf Publishing Company, Texas.

Japan Productivity Centre (ed.): *IE for Productivity Facilitators*, JPC Publication, Tokyo.

Productivity Measurement (At Macro Level), National Productivity & Economic Development Centre.

Hammer, M., Champy, J.: *Reengineering the Corporation: A manifesto for Business Revolution*, Nicholas Brealey, London.

Current Issues on Productivity, National Productivity & Economic Development Centre Publication.

Total Quality Management

Course Title: Total Quality Management
Course No. MSC 606
Nature of the Course: Specialization
Duration of the Course: 100 lecture hours
Duration of the Class: 60 minutes

Full Marks: 1000

Pass Marks: 40

Course Objective

This course aims to develop an understanding on various approaches and issues of total quality management, ISO 9000 quality management system and the practices of quality management in Nepal.

Course Description

This course includes the theory of total quality management and ISO 9000 that covers management tools for quality, technical tools for quality, on-line and off-line quality control, quality circles, ISO quality management system and an overview of Nepalese experiences on quality.

Contents

1. Introduction

LH 5

Total quality management: a new culture. Consequences of total quality. Cost of total quality. Tools for quality and the Japanese factor.

2. Management Tools for Quality

LH 15

Various management tools for quality: Historical background. Armand Feigenbaum - total quality control. W. Edwards Deming approach to management. Joseph Juran on quality. Karou Ishikawa's quality control. Philip Crosby and the quality treatment. Masaaki Imai's Kaizen. William Conway's new system of management.

3. Technical Tools for Quality: Techniques for General Use

LH 25

Basic statistical tools for analysis. Design and analysis of experiments: introduction, factorial experiments, constructing fractional designs. Supporting the quality improvement process: affinity diagram, bar chart, block diagram, brainstorming, cause and effect analysis, control charts, cost - benefit analysis, customer - supplier relationship checklist, decision analysis, flow charts, force field analysis line graph/run charts, pareto analysis, quality costing, quality function deployment

(QFD), quality project approach and the problem-solving process, risk analysis, scatter diagram.

4. Technical Tools for Quality: Techniques for On-line Quality Control **LH 10**

Statistical Process Control (SPC): introduction, data collection plan, variables charts, attribute charts, interpreting the control charts. Complements and alternatives to SPC: charts for drifting processes, multi-vari charts, alternatives to SPC

5. Technical Tools for Quality: Techniques for Off-line Quality Control **LH 15**

Taguchi's approach to experimental design and off-line quality control, recommended analysis techniques, performance measures, non-standard techniques, alternative techniques for off-line quality control.

6. Quality Circles **LH 10**

Quality circles - background, concept, organizing, and operation. QC tools and techniques, management presentation and effective communication, key factors for successful implementation, managing the growth, reward and recognition.

7. ISO 9000 Quality Management Systems **LH 15**

Quality systems: concepts and standards, ISO 8402, 9000, 9001, 9002, 9003, 9004 and 14000.

8. Nepalese Experiences on Quality **LH 5**

Evolution of quality practices in Nepalese organizations, Nepal Standard marks, and Nepal Bureau of Standard and Metrology.

Basic Books

Raju, S M Sundara, *Total Quality Management*, New Delhi: Tata McGraw-Hill Publishing Company Ltd..

Logothetis, N., *Managing for Total Quality: From Deming to Taguchi and SPC*, New Delhi: Prentice Hall of India Pvt. Ltd.

Singh, Ajit, *Quality Circles: From Introduction to Integration*, New Delhi: National Productivity Council

Reference Books

Ishikawa, Kaoru, *Introduction to Quality Control*, Tokyo: 3A Corporation.

ISO 9000 Quality Management Systems: Guidelines for Enterprises in Developing Countries 1993, Geneva: International Trade Centre UNCTAD/GATT.

Various Publications of Nepal Bureau of Standard and Metrology

Profit Planning and Control

Course Title: Profit Planning and Control

Course No: ACC 611

Nature of the course: Core

Duration of the course: 100 lecture hours

Duration of the Class: 60 minutes

Full Marks: 100

Pass Marks: 40

Course Objectives

This course aims to provide the students with the knowledge of advanced tools and techniques of budgeting and profit planning that are necessary for survival in a competitive business environment. It also aims to develop the confidence in the student to use scientific technique in planning and control of sales and investments.

Course Description

This course deals on micro units of profit planning concept which are necessary for application of tools. It also emphasizes on role of sales planning in planning of operations and profit in short and long run. It includes control functions of the management and their role in profit planning. The course also deals with advance concept of zero based budgeting and the effect of JIT and CIM in planning of production and inventory determination.

Contents

1. Conceptual Foundation

LH 6

Meaning of planning and control. Advantages and limitations. Application of time factor in comprehensive profit planning. Profit planning in different business firm.

2. Planning and Control of Sales

LH 4

Need for sales planning, long and short range sales plan, comprehensive sales plan for manufacturing and non-manufacturing organizations.

3. Production Planning and Control of a Manufacturing Concern

LH 10

Inventory level in normal circumstances. Just in time production and inventory level. Production in computer integrated manufacturing. Production planning budget.

- 4. Planning of Factors of Productions** **LH 40**
Material consumption, purchase and material cost budget. Material inventory and JIT purchases. Merchandise purchase budget of a non manufacturing organization. Open to buy concept and its validity. Planning of direct labour hour. Direct labour cost and direct labour budget and control. Overhead cost planning and control, controllable and non controllable overhead cost. Cost and expenses. Cost control and cost reduction. Manufacturing, administrative and selling and distribution overheads planning. Apportion and reapportionment of planned overhead. Conventional overhead cost allocation vs. activity based costing.
- 5. Zero Based and Activity Based Budgeting** **LH 6**
Concept of zero and activity based budgeting; advantages and limitations; objectives and procedure.
- 6. Flexible Budgeting and Semi- Variable Cost Planning** **LH 3**
Segregation of cost. Use of flexible budgeting formula and table method to plan mixed costs.
- 7. Capital Expenditure Planning and Control** **LH 10**
Capital budgeting concept and types of proposals. Cash flows and differential cash flow. Time value of money. Evaluation and ranking of proposals for decision making.
- 8. Planning and Control of Cash** **LH 7**
Concept. Estimation of cash receipt and payment. Borrowing and other financing need. Use of financial accounting approach to compute cash collections and disbursements.
- 9. Completion of Profit Plan** **LH 4**
Completion of annual profit plan, alternatives available in developing profit plan, implementation of profit plan and its uses in controlling of operations.
- 9. Use of Cost Volume and Profit Analysis in Profit Planning** **LH 10**
Break even and contribution analysis, cost validity, sales mix and sales price planning.

Basic Book

Welsch, Glenn A., Roland W Hilton, and Paul N Gordon, *Budgeting Profit Planning and Control*, Prentice Hall of India, New Delhi.

Reference Books

Kaplan, Robert S. , Anthony A Atkinson, *Advanced Management Accounting*, Prentice Hall of India, New Delhi.

Drury, Colin, *Management and Cost Accounting*, ELBS

Hilton, Ronald W., *Managerial Accounting*, McGraw Hill, Inc.

McAlpine T. S., *The Basic Art of Budgeting*, London Business Book Ltd.

Harold, Edey G., *Business Budgeting and Accounts*, Hutchnison University Library, London.

Basic Book

Welsch, Glenn A., Roland W Hilton, and Paul N Gordon, *Budgeting Profit Planning and Control*, Prentice Hall of India, New Delhi.

Reference Books

Kaplan, Robert S. , Anthony A Atkinson, *Advanced Management Accounting*, Prentice Hall of India, New Delhi.

Drury, Colin, *Management and Cost Accounting*, ELBS

Hilton, Ronald W., *Managerial Accounting*, McGraw Hill, Inc.

McAlpine T. S., *The Basic Art of Budgeting*, London Business Book Ltd.

Harold, Edey G., *Business Budgeting and Accounts*, Hutchnison University Library, London.

Tax Laws and Tax Planning

Course Title: Tax Laws and Tax Planning
Course No: ACC 612
Nature of the course: Specialization
Duration of the course: 100 lecture hours
Duration of the Class: 60 minutes

Full Marks: 100
Pass Marks: 40

Course Objectives

This course aims to provide the students with the knowledge of tax laws and tax planning for decision making and enable them to work as tax consultants in the corporate sector.

Course Description

This course includes various modes of computing net incomes and tax liabilities of business houses in Nepal. It also includes the value added tax concept and mode of computing it. The course further deals on the concept of tax planning and its effect in investment and depreciation policy in timing of various management options.

Contents

1. Conceptual Foundation

LH 3

Concept of tax. Historical development of tax laws in Nepal. Definition of related terms. Heads of income.

2. Business Taxation in Nepal

LH 30

Computation of taxable income of company and non company assessee including sole proprietorship, private limited company, public limited company, corporations (companies quoted or not quoted in stock exchange) and professionals. Income from other sources. Income from house and land rent other than letting for companies employees.

3. Set Off and Carry Forward of Losses

LH 3

Mode of set off and carry forward of losses and accumulated losses. Inter-source and inter-head adjustments.

4. Procedure for Assessment

LH 14

Tax assessment order, method of collection and realization types of assessment. Income tax authorities their powers and duties. Assessee and their duties and rights. Penalties for non-payment and non-submission. Appeal and revision. Appellate hierarchy. Process of

appeal and revision and their procedures. Refund of excess payment and tax certificate.

5. Value Added Tax (VAT)

LH 10

Concept, origin and evolution of VAT. Principles governing VAT. VAT as a substitute of sales tax. Methods of computing VAT.

6. Tax Planning

LH 10

Concept of tax planning. Significance of tax planning. Tax evasion and tax planning. Tax avoidance and tax planning. Scope of tax planning. Basics of tax planning.

7. Exemptions and Rebate

LH 15

Technical collaborations, foreign industries, foreign aided enterprises and tax rebates and exemptions. New industrial setup. Capacity increase and their effect on tax planning. Export promotion and tax planning. Investment tax credit and its impact on tax planning.

8. Tax Planning for Various Payments and Activities

LH 15

Remuneration payment. Self-employment. Capital structure. Depreciation system. Location of industrial setup. Timing of activities. Leasing or buying.

Basic Books

Income Tax Act. 2031, HMG/N.

Industrial Policy and Industrial Enterprise Act. 2049, HMG/N.

Reference Books

Dhakal KD, *Aayakar Kanoon Tatha Ghar Gagga Kar.*, MK Publisher and Distributors, Kathmandu.

Pradhananga NB, *Income Tax Law and Practice*, NB Pradhananga, Kathmandu.

Prasad Bhagabati, *Law & Practice of Income Tax in India.*, Navman Prakashan, Aligrah.

Poudyal KB, *Corporate Tax Planning in Nepal*, Poudyal, Kathmandu.

Company Act. 2053, HMG/N.

Banijya Bank Act. 2021, HMG/N.

Insurance Act, HMG/N.

Advanced Auditing

Course Title: Advanced Auditing

Course No: ACC 613

Nature of the course: Specialization

Duration of the course: 100 lecture hours

Duration of the Class: 60 minutes

Full Marks: 100

Pass Marks: 40

Course Objective

This course aims to provide knowledge to the students on advanced auditing techniques required to handle independently audit works of organized sectors.

Course Description

This course deals on the history of development of modern auditing and auditing techniques and covers the special features of audit work in organized sectors such as limited companies, financial institutions and public sector undertaking. It also includes the technique of management audit, cost audit, tax audit, performances audit and recent trends in auditing.

Contents

- 1. Growth and Scope** **LH 5**
Basic concepts and evolutionary process of auditing. Major influences in the field of auditing. Evidence in auditing. Internal control and internal auditing.
- 2. Special Audit Techniques** **LH 5**
Statistical sampling. Physical verification of assets. Ratio analysis. System auditing and risk based auditing.
- 3. Audit of Limited Company** **LH 8**
Statutory audit. Audit of share capital. Management explanation and degree of reliance. Dividend and divisible profits.
- 4. Audit of Public Sector Undertakings** **LH 12**
Special features in audit of public sector undertakings in Nepal. Directives of comptroller and auditor general. Propriety and efficiency audit.
- 5. Cost Audit and Management Audit** **LH**
Importance of cost audit. Procedure regarding cost audit. Cost audit

report. Cost audit programme. Concept and need of management audit. Conducting management audit. Review of processes of management audit. Review of functional areas and propriety audit. Behavioural problems.

6. Performance Audit

LH 10

Concept, scope, objectives and essential elements of performance audit. Difference between financial and performance audit. Performance auditing in Nepal.

7. Tax Audit

LH 4

Concept and objectives of tax audit. Importance and limitations of tax audit. Tax audit and financial audit. Tax planning and tax audit.

8. Audit of Banks, Insurance Companies and Co-operative Societies

LH 20

Legislation relevant to the audit of commercial, agriculture bank and co-operative. Review of Internal control in a bank. Legal provisions relevant to the audit of insurance organization. Special aspects of the audit of insurance organization and audit of co-operative societies.

9. Auditors Report

LH 7

Contents. Types of audit report and audit report relating to commercial and government auditing.

10. Right and Duties of an Auditor

LH 3

Right and duties. Extent and nature of liabilities to third party-creditors, prospective investors, etc.

11. Auditing Standards and Guidelines

LH 3

Difference between procedures and standards. Objectives. Authority to set standards scope. INTOSAI auditing standards and IFAC guidelines.

12. Trends in Auditing

LH 3

Price level adjustments. Financial forecasts. Human resources auditing. Reports on financial sickness. Special requirements of different uses.

Basic Books

Ramanathan, *Cost & Management Audit*, Tata Mc. Graw Hill.
Gupta Kamal, *Contemporary Auditing*, Tata Mc. Graw Hill.

Reference Books

Hermanson RH, Lobe SE & et. all., *Auditing Theory and Practice*, Richard D Irwin Inc.

All Wood FA , Stein ND, De Paulas, *Auditing*, ELBS

Tandon BN, *Practical Auditing*, S. Chand and Co., New Delhi.

Saxana , *Principles of Auditing*, Himalayan Publishing House.

Laury PB, *Contemporary Auditing*, Harper & Row Publishor.

Lamichhene B., *Auditing*, Neeru Lamechhane .

Nepal RB, *Performance Auditing*,

Nepal Charter Accountant Act 2053 B.S.

Constitution of Nepal 2047.

Accounting Theory

Course Title: Accounting Theory
Course No: ACC 613
Nature of the course: Specialization
Duration of the course: 100 lecture hours
Duration of the Class: 60 minutes

Full Marks: 100

Pass Marks: 40

Course Objective

This course aims to provide the students with the basic knowledge of accounting theory required for reading, understanding and presenting accounting statements.

Course Description

This course deals with basic concept of income measurement with an emphasis on characteristics of revenue and expenses, their difficulties in recognition and measurements. It also covers the basic features that are important in making presentation of financial statements for full disclosure. The course further deals with financial statements analysis and contemporary issues in accounting.

Contents

1. Introduction

Concept of accounting theory. Historical development of accounting theory. Approaches to accounting theory. Concepts, measurement and structure of accounting theory.

LH 8

2. Income Concept for Financial Reporting

Net income concept. Income concepts at the structural level. Items included in income. Measurement of income to parties. Enterprise income.

LH 8

3. Measurement of Revenue and Expenses, Gain and Losses

Types and nature of revenue. Problems and distortions. Timings of revenue reporting. Expenses and measurements. Allocations and reporting. Gain and losses.

LH 12

4. Reporting Under Price Level Change

Effect of price level change in financial reporting. Nature of price level change. Replacement cost accounting. General purchasing power accounting. Purchasing power of stockholders and firm. Currency transactions and price level changes.

LH 12

5. Measurement of Assets and Liabilities **LH 15**
Nature of assets and liabilities. Objective of measurement of assets. Valuations for measuring income for/ by creditors and management. Valuation concepts. Current assets and current liabilities. Fixed assets and depreciation. Intangible and price level changes.

6. Statement of Changes in Financial Position **LH 10**
Concept, need and objectives. Cash flow analysis.

7. Disclosure in Financial Reporting **LH 10**
Nature of disclosure. Importance of full disclosure. Segment reporting. Interim financial reporting. International reporting.

8. Contemporary Issues in Accounting **LH 25**
Cash flow accounting: features and justification. Historical vs. cash flow accounting. Cash flow models. Social responsibility accounting: concept of social accounting; social accounting and social auditing; state of art of social accounting; standard of corporate social accounting. Human resources accounting: concept and justification of human resource accounting, objective and significance.

Basic Books

Hendriksen, S. Eldon, *Accounting Theory*, Richard D. Irwin Inc. Illinois
Porwal, L. S., *Accounting Theory: An Introduction*, Tata McGraw Hill Publishing Co., New Delhi.

Reference Books

Most, Kenneth S., *Accounting Theory*, Grid Publishing Inc., Columbus, Ohio.
Belkaoui, A., *Accounting Theory*, Harcourt Brace Jovanovich.
Glautier and Underdown, *Accounting Theory and Practice*, Arnold-Heinemann.
Shyam, Sundar, *Theory of Accounting and Control*.

Small Business Management

Course Title: Small Business Management

Course No: MGT 621

Nature of the Course: Specialization

Duration of the course: 100 lecture hours

Duration of the Class: 60 minutes

Full Marks: 100

Pass Marks: 40

Course Objectives

This course aims to provide knowledge of the requisites for successful small business management with a view to providing skills in avoiding business failure and building up a profitable and growing enterprise in the context of Nepal.

Course Description

This course provides an understanding of the components of the small business operation and management and includes the nature and characteristics of small business, starting small business, considerations for business creation, marketing, managing, financial and administrative controls of small business, growth strategies and sickness, government policies and institutional arrangement for small business in Nepal.

Contents

1. Introduction

LH 6

Concept of small business. Characteristics, rationale, objectives and nature of small business. Opportunities for an entrepreneurial career. Small business in economic development. Trend for small business.

2. Starting Small Business

LH 10

The family business: advantages disadvantages and challenges. Developing a succession strategy. Starting a new small business. Buying an existing business: evaluating opportunities to buy an existing business. Franchising: scope and development of franchising, buying and franchise, evaluating franchising opportunities, selling and franchise, growth of business franchising, different types of franchises. Preparing a new venture plan.

3. Considerations for Business Creation

LH 10

Analyzing the market: concept, the process of market analysis and sales forecasting. Selecting location and physical facilities. Initial financial planning: nature of capital requirements, estimating capital

requirements, locating sources of funds and preparing financial proposal. Choosing the legal form of business organization. Business law relevant to the small business. Ownership pattern of small business in Nepal.

4. Small Business Marketing

LH 10

Scope of marketing activities for small business. Product, distribution, pricing, and promotional strategies. Credit in small business: credit policies.

5. Managing Small Business Operations

LH 14

Management functions in small business. Special management problems of small business. Outside management assistance. Small business objectives. Small business strategy. Operational planning in small business. Managing human resources in small firms. Regularity laws. Managing production operation. Production control. Quality control. Work improvement and measurement. Purchasing and managing inventory. Inventory control.

6. Financial and Administrative Controls

LH 15

Establishing an accounting system. Typical financial statements. Analysis of financial statements. Budgeting. Working capital management. Other considerations in evaluation of expansion opportunities. Taxation benefits to small business. Common business risks. Risk insurance for small business.

7. Growth Strategies in Small Business

LH 10

Objectives of growth. Stages of growth. Types of growth strategies: expansion, diversification, joint venture, merger, sub - contracting. Strategic plans for small business.

8. Sickness in Small Business

LH 8

Concept of industrial sickness. Signals and symptoms of sickness. Magnitude of industrial sickness. Causes and consequences of industrial sickness. Corrective measures.

9. Government Policy for Small Business

LH 7

Government policy for small business. Government support to small business. Assessment of the government policies. Problems and issues.

10. Institutional Arrangements for Small Business

LH 10

Promotion and training oriented institutions in Nepal: DCVI, CIDB, IEDI, Department of Labour, Ministry of Local Development. Credit

oriented institutions in Nepal. Input supply oriented institutions. Market oriented institutions. Export performance of small business sector. Small business in international markets. Issues and problems of small business sector in Nepal.

Basic Books

Hodgetts, M. and D.F. Kuratko, *Effective Small Business Management*, The Dryden Press, N. Y.

Broom, H.N., J.G. Longnecker and C.W. Moore, *Small Business Management*, South - Western Publishing Company, Cincinnati.

Khanka, S.S., *Entrepreneurial Development*, S. Chand and Co., New Delhi.

Maskey, Bishwa Keshar (ed.), *Small and Medium Enterprise Promotion*, Center for Development and Governance, Kathmandu.

Reference Books

Engleman, R (ed), *Small Business Management*, Metcalf,

Wendess O. , *Starting and Managing a Small Business of Your Own.*

HMG Publications

International Business

Course Title: International Business
Course No: MGT 622
Nature of the Course: Specialization
Duration of the course: 100 lecture hours
Duration of the Class: 60 minutes

Full Marks: 100
Pass Marks: 40

Course Objectives

This course aims to develop knowledge and skill in students for developing strategies and managing the operations of companies whose business activities spread over more than one nation.

Course Description

The course analyses the internationalization process and examines the environmental forces influencing international operations. This course also deals on the operation and management of international business and includes overview of world business, globalization, multinational companies, environmental analysis and international business environment, strategies for going global, and international management strategy.

Contents

1. Overview of World Business

LH 10

Nature of international business. Challenges, opportunities and scope of international business. Characteristics of contemporary world business. History of international business. International business models. International business terminology.

2. Globalization and Management

LH 10

Concept and nature of globalization. Manifestation of globalization. Why do companies go international? History of globalization. How governments influence competitiveness? Global business management practices. Changing international scene.

3. Multinational Companies (MNC)

LH 10

Concept. Typology of multinational companies: domestic, international, multinational, global and trans-national. Theory of MNC. Organization and management of MNC, Strategy of MNC. Designing a global expansion strategy.

4. Environmental Analysis

LH 10

Environment as an important dimensions of international business. Typology of environment. Organization-environment relations. Understanding environment: scanning models and systematic models. Framework of analysis: levels of environment. Model of macro-environment. Process of environmental analysis. Approaches to environmental analysis.

5. International Business Environment

LH 30

Economic forces : The UN System, IMF, the world bank, WTO, EC, regional grouping of nations and analysis of the international monetary system. Political forces: ideological forces, government ownership of business, nationalism, government protection, government stability, traditional hostilities, measuring political risks, country risk analysis, managing political risks. Financial forces : International financial system, fluctuating currency values, currency exchanges control, tariff, customs and import duties, taxation, inflation, international financial markets. Competitive forces: growing intensification, competitive forces analysis. Distributive forces: international channels, channels selection, information sources, how to enter foreign markets? Socio-cultural forces: socio-cultural components, significance for international business. Labour forces: labour mobility, labour shortages and quest workers, composition of the labour force, considerations to be made in employment policies, employer-employee relations.

6. Dealing with Environmental Forces

LH 5

Market assessment and analysis. Market screening. Marketing information system.

7. Strategy for Going Global

LH 10

Strategy in globalization. Deciding which market to enter. Indicator of market potential. Entry strategies. Selecting a managerial approach. Deciding organization structure.

8. International Management Strategy

LH 15

Concept. Global planning: steps and process. Strategy formulation and implementation. Organization for planning. Designing control system: formal control methods, evaluation of performance, variables influencing control. Staffing policy.

Basic Books

- Ball, Donald A. and W.H. McCulloch**, *International Business : Introduction and Essentials*, Business Publications, Texas.
- 38.88
72i **Sundaram, Anant K. and J.S. Black**, *The International Business Environment*, Prentice Hall of India, New Delhi.
- Matsuura, Nanshi F.**, *International Business : A New Era*, HBJ, San Diego.
- Taggart, J.H. and M.C. McDermott**, *The Essence of International Business*, Prentice Hall of India, New Delhi..

Reference Books

- Keegan, Warren J.**, *Global Marketing Management*, Prentice Hall of India, New Delhi.
- Shapiro, Alan C.**, *International Financial Management*, Prentice Hall of India, New Delhi.
- Jain, A. K.**, *Managing Global Competition*, Dehradun Competence Publishing Co. Dehradun.
- Stoner, James, R.E. Freeman and D.R. Gilbert**, *Management*, Prentice Hall of India, New Delhi.
- Aswathapa, K.**, *Business Environment for Strategic Management*, Himalayan Publishing House, Mumbai.

Organization Development

Course Title: Organization Development

Course No: MGT 623

Nature of the Course: Specialization

Duration of the course: 100 lecture hours

Duration of the Class: 60 minutes

Full Marks: 100

Pass Marks: 40

Course Objectives

This course aims to provide students with a knowledge of the integrated and comprehensive view of the field of OD including change, development process and intervention strategy.

Course Description

This course provides a comprehensive knowledge of the organizational development and change and includes OD concepts, management theory of OD, OD interventions and key considerations and issues in OD.

Contents

1. Introduction

LH 5

The fields of OD: an overview. Definitions of OD. The history of OD. Values, assumptions and beliefs in OD.

2. Theory and Management of OD

LH 15

Foundations of OD: models and theories of planned change - systems theory, empowerment, teamwork, parallel learning structures, applied behavioural science, and action research. Managing the OD process: diagnosis, the action component, and the programme management component. Action research and OD : action research - a process and an approach, history of action research, examples of action research in OD.

3. OD Intervention

LH 40

Overview of OD intervention. Classifying OD interventions. Team interventions : team and work groups, strategic units of organization, broad team-building interventions, techniques and exercises used in team building. Intergroup and third-party interventions: inter-group team-building interventions, third-party piece-making interventions, and organization mirror interventions. Comprehensive interventions: strategic management activities, survey feedback, grid organization development, Schein's cultural analysis, trans-organizational

development. Structural interventions : socio - technical systems, self-managed teams, work redesign, MBO and appraisal, quality circles, quality of work life, parallel learning structures, Total Quality Management (TQM), and business process reengineering. Training experiences: T- Groups, behaviour modeling, life and career planning.

4. Key Considerations and Issues

LH 40

Issues in consultant-client relationships : defining the client system, the trust issue, the consultant as a model, and ethical standards in OD. System ramifications: human resources leadership and involvement, resistance to change, leadership and leadership style, rewards and skills, staffing and career development, and labour relations. Power, politics and OD: definition of terms, sources of social power, organizational politics - definition, framework for analyzing power and politics. Research on OD : assessing the effects of OD - issues and problems, and positive developments in research on OD.

Basic Books

~~1/1/89~~
~~1/1/89~~ French, W.L. and C.H. Bell, *Organization Development*, Prentice - Hall of India, New Delhi.

Cummings, T.G. and C.G. Worley, *Organization Development and Change*, West Publishing Co., Minneapolis, MN.

Reference Books

Burke, W.W., *Organization Development*, Addison - Wesley Publishing Co. MA.

Beer, Michael, *Organization Change and Development*, Goodyear Publishing, Santa Monica, CA.

Peppard, J. and P. Powland, *The Essence of Business Process Re - engineering*, Prentice Hall of India, New Delhi.

Logothetis, N., *Managing for Total Quality*, Prentice - Hall of India, New Delhi.

Labour Relations

Course Title: Labour Relations
Course No: MGT 624
Nature of the Course: Specialization
Duration of the course: 100 lecture hours
Duration of the Class: 60 minutes

Full Marks: 100
Pass Marks: 40

Course Objectives

This course aims to provide knowledge to students on important aspects of labour relations with a view to develop analytical perspective to understand, manage and solve labour issues and problems, particularly in the Nepalese work environment.

Course Description

This course reviews the nature and role of labour relations in organizational life. The course deals with the context, policy, institutions and mechanisms of Labour relations in Nepal and includes labour relations system, environment, policy and legislation, trade unionism, industrial disputes, collective bargaining, workers' participation, work-place environment, wage issues, ILO and Nepal, and emerging trends and issues in Nepal.

Contents

1. Labour Relations System

LH 10

Labour relations system: concept and dynamics, the actors of LRS - their composition, features and role in labour relations, the labour relations theory - historical development and current status, overview of LRS in Nepal, and evolution of LRS in Nepal.

2. Labour Relations Environment

LH 10

The labour relations climate: social, political technological, legal, labour market and economic forces influencing labour relations in Nepal. Labour relations in the new economic environment. Structure of labour administration system in Nepal.

3. Labour Policy and Legislation

LH 10

Concept. Historical development of labour policy in Nepal. Present labour policy and its main features. Labour legislation in Nepal: main provisions and features of the Labour Act, Trade Union Act and Bonus Act.

4. Trade Unionism

LH 10

Concept and theory of trade unionism. Roles and responsibilities of trade unions. History of trade union development in Nepal. Registration and recognition of trade unions. Existing structure of trade unions. Union leadership, problem of multiple unions, and business vs. political unionism.

5. Industrial Disputes in Nepal

LH 15

Definition, causes and effects. Industrial disputes in Nepal: nature and trends. Types of disputes: legal or illegal. Overt and covert expressions of conflict. Procedure of making claims and complaints by unions. Industrial relations machinery: prevention and settlement of disputes-methods and legal provisions. Conciliation and arbitration system in Nepal. Voluntary settlement procedures in Nepal. Labour court: its composition and functioning. Major issues in industrial disputes.

6. Collective Bargaining

LH 5

Concept, purpose and significance of collective bargaining. Collective bargaining system. Process of collective bargaining. Prerequisites for collective bargaining. Collective bargaining in Nepal: unit level and national level bargaining. Problems and issues in collective bargaining in Nepal.

7. Worker's Participation

LH 10

Concept, purpose and significance of workers participation. Forms of participation. Legal provisions in Nepal. Worker's participation schemes in Nepal: their working and effectiveness.

8. Workplace Environment

LH 9

Shop-floor management issues affecting labour relations. Humanization of workplace. QWL in Nepalese enterprises. Occupational commitment of Nepalese workers. Employee discipline: code of discipline, nature of indiscipline, and disciplinary actions. Employee grievances procedure. Grievances and labour relations.

9. Wage Issues in Labour Relations

LH 8

Wage components. Criteria and methods of wage determination. Methods of wage payment. Minimum wage policy in Nepal. Wage issues in Nepal. Trends in minimum wages. Wage differentials. Union influence in wage fixation. Statutory and voluntary fringe benefits. Social security in Nepal. Profit-sharing and incentive system in use.

10. ILO and Nepal **LH 8**
Objective and structure of the ILO. International labour standards. Nepal's response to ILO conventions and standards. ILO activities on labour related development in Nepal.

11. Emerging Trends and Issues in Nepal **LH 5**
Labour market and employment situation. Labour relations and productivity. Privatization and labour relations. Labour relations in public enterprises. Labour relations and development issues: child labour, labour engaged in rural/informal sector, social security and labour welfare.

Basics Books

Pant, Prem R. and Narayan Manandhar (eds.), *Industrial Relations in Nepal*, FNF and IRF, Kathmandu.

ILO, *Labour Administration : A Profile on Nepal*, ILO office, Kathmandu.

Monappa, Arun, *Industrial Relations*, Tata McGraw Hill, New Delhi.

Reference Books

Verma, Promod, *Management of Industrial Relations*, Oxford and IBH, New Delhi.

Kanoon Byabastha Samiti, *The Labour Act, The Trade Union Act, The Bonus Act*, Kathmandu.

Foundations of Financial Theory

Course Title: Foundations of Financial Theory

Course No: FIN 631

Nature of the course: Specialization

Duration of the course: 100 lecture hours

Duration of the Class: 60 minutes

Full Marks: 100

Pass Marks: 40

Course Objectives

This course aims to impart knowledge to the students on the theory of finance and develop analytical skills for making financial decisions in the context of Nepal.

Course Description

This course provides an insight into financial theory and some empirical evidence concerning interest rate, international financial environment, portfolio theory, capital budgeting under uncertainty, financial risk, capital structure and cost of capital, mergers and acquisition, restructuring, and financial distress. The course also provides an overview of these topics in the context of Nepal.

Contents

1. Introduction

LH 7

Evolution of financial management. Maximizing shareholder wealth. Social responsibility. Divergent objectives, managerial strategies and determinants of value. Finance in the organizational structure of the firm. Financial management and other disciplines. Changing role of financial management.

2. Interest Rate and International Financial Environment

LH 10

Market determination of interest rates and rates of return. Term structure of interest rates: theoretical explanations - expectation theory, liquidity preference theory, market segmentation hypothesis, empirical evidence, inflation and the term structure. Risk and market discount rates. Promised versus expected rates of return. Covariance risk. Market determination of discount rates. High-yield debt. Importance of international finance. Impact of exchange rate fluctuation. Basic parity conditions.

3. Portfolio Theory: Market Risk and Returns

LH 23

Efficient financial markets. Security portfolios. Portfolio risk. Covariance of returns. A two-security efficient set. Multiple security portfolio analysis and selection. The efficient set. Utility functions and investor choice. Capital asset pricing model (CAPM). The characteristic line. The systematic risk as measured by beta. Unsystematic risk. Security market line. Expected return for individual security. Issues with CAPM. Applications of CAPM. Required return on securities. CAPM and market return on risky debt. CAPM and cost of equity. CAPM and weighted average cost of capital. CAPM and capital budgeting. Discounting project cost streams. Factors affecting beta. Empirical evidence on the CAPM. The Arbitrage Pricing Theory (APT): applications and empirical evidence.

4. Capital Budgeting Under Uncertainty

LH 13

Structure of decisions. One-period two-state problem. Two-period APT problem. Decision trees. Using the CAPM model. Relationship between risk and time. Options on assets. Valuing a simple deferral option. A taxonomy of asset options. Abandonment option. Option to defer development. Option to expand or grow. Option to shrink. Switching options. Abandonment option. Further development in abandonment decision rules.

5. Managing Financial Risk

LH 10

Types of risks. Methods of managing risk. Portfolio insurance. Duration: calculation of duration, duration as an elasticity measure, duration in a continuous time framework, immunization. Forward markets and forward contracts. Other methods for dealing with foreign exchange risks. Futures markets. Forward versus futures rates. Interest rate swaps.

6. Capital Structure Theory

LH 7

The Modigliani-Miller (MM) models: MM without taxes, MM's arbitrage proof, MM with corporate taxes. The Miller model. Criticisms of the MM and Miller models.

7. State Preference Theory

LH 3

Alternative future states-of-the-world. The concept of pure security. Use of state preference theory to determine optimal financial leverage. Implications for leverage decisions.

8. Theories of Dividend Policy

LH 7

Dividend policy in a world without taxes. Dividend policy in a world with taxes. Ingredients for optimal dividend policy: dividends, agency costs and external financing. Dividends as signals. Dividends, investment, and taxes. Dividend policy: stock prices and clientele effects, dividends and value, dividend clientele effects.

9. Mergers and Acquisitions, Restructure and Corporate Control

LH 10

Mergers and takeovers: rationale for mergers, features of a merger, strategic acquisitions involving stock, corporate voting and control, tender offers. Merger movement of the Eighties. Theories of restructuring. Forms of restructuring and their results. Going private and leveraged buyouts. Employee stock ownership plan. Empirical evidence on mergers and takeover. Traditional approaches. Factors affecting terms of acquisitions, quality influences, managerial policies.

10. Financial Distress

LH 10

Divestiture in general, nature of financial distress, failure, alternative remedies, extension and composition, bankruptcy laws, reorganization process. Absolute priority doctrine, economic issues, models of reorganization, liquidation, bankruptcy prediction.

Basic Books

Van Horne, James C., *Financial Management and Policy*, Prentice Hall of India, New Delhi.

Weston, J. Fred and Thomas E. Copeland, *Managerial Finance*, The Dryden Press, New York.

Reference Books

Copeland, Thomas E. and J. Fred Weston, *Financial Theory and Corporate Policy*, Addison-Wesley Publishing Company, New York.

Brealey, Richard and Stewart Myers, *Principles of Corporate Finance*, McGraw Hill Book Company, NY.

Brigham, Eugene F. and Louis C. Gapenski, *Financial Management: Theory and Practice*, The Dryden Press, NY.

Martin, Cox, and MacMinn, *The Theory of Finance: Evidence and Applications*, The Dryden Press, NY

Moyer, R. Charles, James R. McGuigan and William J. Kretlow, *Contemporary Financial Management*, West Publishing Company, New York.

Hill, Ned C. and William L. Sartoris, *Short-Term Financial Management*, Macmillan Publishing Company, New York.

Fama and Miller, *The Theory of Finance*, The Dryden Press, New York.

Pradhan, Radhe S., *Financial Management Practices in Nepal*, Vikash Publishing House, New Delhi.

Capital Structure Management

Course Title: Capital Structure Management

Course No: FIN 632

Nature of the course: Specialization

Duration of the course: 100 lecture hours

Duration of the Class: 60 minutes

Full Marks: 100

Pass Marks: 40

Course Objectives

This course aims to provide the students with a knowledge of the theory of capital structure and develop analytical skill in devising appropriate capital structure, particularly in the context of Nepal.

Course Description

This course provides a broad overview of theory of capital structure with a special emphasis on type of financing, short term financing, term loans, lease financing, common stock financing, debt and preferred stock, warrants and convertibles, option valuation, theory of capital structure, and dividend policy. The course also provides an overview of these topics in the context of Nepal.

Contents

1. Introduction

LH 5

Capital structure decisions and maximization of shareholder wealth. Financial structure and capital structure. Optimal capital structure: significance goals, and features; considerations in the capital structure decision.

2. Short-term Financing

LH 10

Conceptual considerations. Type of financing. Trade credit financing. Accruals. Money market credit: commercial paper market, bankers' acceptances. Short-term loans: line of credit, revolving credit agreement, transaction loans. Interest rates. Compensating balances. Secured lending arrangements. Assignment of accounts receivable. Factoring receivables. Inventory loans: floating loan, chattel mortgage, trust receipt loans, terminal warehouse receipt loan, field warehouse receipt loan.

3. Term Loans and Lease Financing

LH 15

Term loans: bank term loan, revolving credit, insurance company term loans, equipment financing. Characteristics of term loans. Repayment schedule. Terms of loan agreements. Lease financing: significance,

type of leases, accounting for leases, the financing decision: lease versus borrow, lessor's point of view, lessee's point of view, alternative computation procedures in the leasing analysis, cost comparison for operating leases, factors influencing leasing versus owning decisions, and internal rate of return analysis.

4 Common Stock Financing

LH 15

Apportionment of income, control and risk. Rights of holders of common stock. Nature of voting rights. Cumulative voting. Preemptive right. Evaluation of common stock as a source of funds. Use of rights in financing: number of rights required to purchase a new share, value of a right, effect on position of stockholders, rights issue versus public offerings. Initial financing. Venture capital. Initial public offerings. Information effects. Asymmetric information.

5. Long-Term Debt and Preferred Stock

LH 10

Long-term debt financing: Instruments of long-term debt financing, trustee, indenture, call provision, sinking fund. Secured bonds and unsecured bonds. Decisions on the use of debt. Preferred stock: Use of preferred stock in financing decisions, major provisions of preferred stock issues, evaluation of preferred stock, refunding debt or preferred stock.

6. Warrants and Convertibles

LH 15

Meaning of warrants, characteristics, valuation of warrants, use of warrants in financing. Convertibles: Rationale for the use of convertibles, conversion ratio and conversion price, convertible bond model, use of convertible in financing, valuing convertible bonds, call policy on convertible bonds, exchangeable debt.

7. Option Valuation

LH 10

Meaning and types of options. Expiration date value of option. Valuation with one period to expiration. Volatility of the stock. Binomial option pricing of a hedged position. The Black-Scholes Option Pricing Model. Applications to corporate finance. The OPM and investment decisions.

8. Theory of Capital Structure

LH 10

Introduction to the theory. Approaches to capital structure. Modigliani-Miller position. Arbitrage argument. Corporate and personal taxes. Effect of bankruptcy costs. Other imperfections. Incentive issues and agency costs. Financial signaling. Information asymmetry. A pecking order of financing. Empirical evidence on capital structure.

9. Dividend Policy

Dividend payout irrelevance: dividends as a residual, Modigliani and Miller position, dividend versus terminal value, irrelevance under uncertainty. Arguments for dividend payout mattering. Financial signalling: empirical testing and implications for payout.

LH 10

Basic Books

Van Horne, James C., *Financial Management and Policy*, Prentice Hall India, New Delhi.

Weston, J. Fred and Thomas E. Copeland, *Managerial Finance*, The Dryden Press, New York

Reference Books

Brigham, Eugene F. and Louis C. Gapenski, *Financial Management: Theory and Practice*, The Dryden Press, New York.

Keon, Arthur J., David F. Scott, Jr., John D. Martin, and J. William Petty, *Basic Financial Management*, Prentice Hall of India Private Limited, New Delhi.

Brealey, Richard and Stewart Myers, *Principles of Corporate Finance*, McGraw Hill Book Company, New York.

Copeland, Thomas E. and J. Fred Weston, *Financial Theory and Corporate Policy*, Addison-Wesley Publishing Company, New York.

Levy, Haim and Marshall Sarnat, *Capital Investment and Financial Decisions*, Prentice Hall Inc., New Jersey.

Moyer, R. Charles, James R. McGuigan and William J. Kretlow, *Contemporary Financial Management*, West Publishing Company, New York.

Shapiro, Alan C., *Modern Corporate Finance*, Macmillan Publishing Company, New York.

Ross, Stephen A., Randolph W. Westerfield, and Jeffrey F. Jaffe, *Corporate Finance*, Irwin Inc., Illinois.

Levy, Haim and Marshall Sarnat, *Principles of Financial Management*, Prentice Hall Inc., New Jersey.

Hampton, John J., *Financial Decision Making: Concepts, Problems and Cases*, Prentice Hall of India, New Delhi.

Pradhan, Radhe S., *Financial Management Practices in Nepal*, Vikash Publishing House, New Delhi.

Investments

Course Title: Investments

Course No: FIN 633

Nature of the course: Specialization

Duration of the course: 100 lecture hours

Duration of the Class: 60 minutes

Full Marks: 100

Pass Marks: 40

Course Objectives

This course aims to provide the students with a knowledge of the concept and principles of investment and develop an analytical skill for appraisal of securities and management of investible funds from the view point of the investor, individual as well as institutions, particularly in the context of Nepal.

Course Description

This course provides a broad overview of investment concepts, process, securities markets, market indexes, determinants of securities prices, expected risk and return, portfolio analysis and assets pricing theories, fixed income securities, bond valuation, stock valuation, option valuation and warrants and convertibles, and investment performance evaluation. The course also provides an overview of these topics in the context of Nepal.

Contents

1. Introduction

LH 4

Investment environment. Investment process. Asset ownership by individual investors. Investment industry. Investment objectives. Investment alternatives.

2. Securities Market and Market Indexes

LH 8

Investment bankers and primary markets. Organized securities exchanges. Liquidity. Over-the-counter markets. Trading arrangements. Characteristics of different secondary markets. Regulation of security markets. Market Indexes: Securities market indicators, construction of an index, contrasting stock market indicators, maintenance problems, correlation between market indicators. Securities market in Nepal: Institutional arrangement and regulatory framework.

3. Determinants of Securities Prices

LH 4

Vulnerable present value model. Buy-sell decision rules. Long and short positions. Valuation and investment procedure. Price-value

interaction model. Samuelson's continuous equilibrium. Passive versus aggressive investment management. Hedging and arbitrage.

LH 4

4. Expected Risk and Return

Single-period rate of return. Sources of investment uncertainty. Probability distribution of returns. Expected rate of return. Statistical risk analysis. Making investment decisions based on expected return and risk statistics. Positive tradeoff between risk and return.

LH 20

5. Portfolio Analysis and Assets Pricing Theories

Diversification and portfolio analysis: simple diversification, diversification across industries, superfluous diversification, diversification across quality rating categories, Markowitz diversification. Asset allocation Portfolio analysis with negative weights. Efficient frontier. Capital market line. Diversifiable risk and undiversifiable risk. Characteristic line. CAPM. Empirical risk-return estimates. Extending the characteristic line. Arbitrage pricing theory: Introduction and general development of the model, deriving a two-factor APT model, comparing APT with the CAPM..

LH 10

6. Fixed Income Securities

Savings deposits: commercial banks, savings and loan companies and mutual savings banks, credit unions, other types of personal savings accounts. Money market instruments: commercial paper, certificates of deposits, bankers' acceptances, eurodollars, repurchase agreements, government securities, central/state and local government securities, corporate bonds, foreign bonds, eurobonds, and preferred stocks.

LH 12

7. Bond Valuation

Market interest rates: Level of interest rates, Yield spreads. Term structure of interest rates. Yield curves. Present value of a bond. Valuing a riskless bond. Bonds' yield to maturity. Macaulay's duration. Interest rate risk. Immunizing interest rate risk. Problems with duration and immunization. Default risk. Securities quality ratings. Determining corporate bond quality ratings. Economic significance and size of the issuer. Protective provisions in the issuer's indenture. Purchasing power risk. Nominal and real investment returns.

LH 18

8. Common Stock Valuation

Stock valuation: some valuation conventions, capitalizing cash dividends, effects of cash dividends payments and non-payments, fundamental analyst's price-earning ratio, attaining good timing for stock trades. Earnings and stock prices: forecasted earnings, actual

interaction model. Samuelson's continuous equilibrium. Passive versus aggressive investment management. Hedging and arbitrage.

LH 4

4. Expected Risk and Return

Single-period rate of return. Sources of investment uncertainty. Probability distribution of returns. Expected rate of return. Statistical risk analysis. Making investment decisions based on expected return and risk statistics. Positive tradeoff between risk and return.

LH 20

5. Portfolio Analysis and Assets Pricing Theories

Diversification and portfolio analysis: simple diversification, diversification across industries, superfluous diversification, diversification across quality rating categories, Markowitz diversification. Asset allocation Portfolio analysis with negative weights. Efficient frontier. Capital market line. Diversifiable risk and undiversifiable risk. Characteristic line. CAPM. Empirical risk-return estimates. Extending the characteristic line. Arbitrage pricing theory: Introduction and general development of the model, deriving a two-factor APT model, comparing APT with the CAPM..

LH 10

6. Fixed Income Securities

Savings deposits: commercial banks, savings and loan companies and mutual savings banks, credit unions, other types of personal savings accounts. Money market instruments: commercial paper, certificates of deposits, bankers' acceptances, eurodollars, repurchase agreements, government securities, central/state and local government securities, corporate bonds, foreign bonds, eurobonds, and preferred stocks.

LH 12

7. Bond Valuation

Market interest rates: Level of interest rates, Yield spreads. Term structure of interest rates. Yield curves. Present value of a bond. Valuing a riskless bond. Bonds' yield to maturity. Macaulay's duration. Interest rate risk. Immunizing interest rate risk. Problems with duration and immunization. Default risk. Securities quality ratings. Determining corporate bond quality ratings. Economic significance and size of the issuer. Protective provisions in the issuer's indenture. Purchasing power risk. Nominal and real investment returns.

LH 18

8. Common Stock Valuation

Stock valuation: some valuation conventions, capitalizing cash dividends, effects of cash dividends payments and non-payments, fundamental analyst's price-earning ratio, attaining good timing for stock trades. Earnings and stock prices: forecasted earnings, actual

earnings, and stock prices, changes in earnings affect stocks' prices, accounting earnings, cash flow statements and income measure. Technical analysis: theoretical foundation, Dow theory, bar charts, contrary opinion theories, confidence index, breadth of market, relative strength analysis, moving average analysis. Behaviour of stock market prices: security price fluctuation, evidence supporting weakly efficient hypothesis, Semistrong efficient markets hypothesis, evidence supporting strongly efficient markets hypothesis, empirical evidence against the efficient markets theory, anomalous empirical evidence about pricing efficiency.

9. Portfolio Selection

LH 10

Investment decision theory: Two-period time preference model, decision making in uncertainty. Capital Market Theory: investment opportunities in risk-return space, assumptions underlying capital market theory, Capital Asset Pricing Model, relaxing the assumptions, integrating the CAPM and APT, role of characteristic line. Investment Performance Evaluation: Investment companies defined, ranking funds' rates of return, efficiency and reliability of funds' performances. Portfolio performance measures of Sharpe, Treynor and Jensen. McDonald's empirical results, comparing investment performance measures, and evaluating investment timing decisions.

10. Options, Warrants and Convertibles

LH 10

Call and put options, position graphs for call and put options, option market, Binomial option pricing models, Black-Scholes Call Option Pricing Model, determinants of put and call premiums, writing covered calls, synthetic long and short positions, straddles, spreads. Warrants. Convertible securities. Callable and puttable bonds. Valuing common stock as a call option.

Basic Books

Francis, Jack Clark, *Investments: Analysis and Management*, McGraw Hill, New York.

Sharpe, William F., Gordon J. Alexander, and Jeffery V. Bailey, *Investments*, Prentice Hall of India Ltd., New Delhi.

Reference Books

Reilly, Frank K., *Investment Analysis and Portfolio Management*, The Dryden Press, New York.

Latane, Henry A., Donald L. Tuttle, and Charles P. Jones, *Security Analysis and Portfolio Management*, The Ronald Press Company, New York.
Bodie, Zvi, Alex Kane, and Alan J. Marcus, *Investments*, Irwin, Boston.
Winger, Bernard J. and Ralph R. Frasca, *Investments*, Macmillan Publishing Company, NY.
Mayo, Herbert B., *Investments*, The Dryden Press, NY.
Haugen, Robert A., *Modern Investment Theory*, Prentice Hall, New Jersey.
Fisher, Donald E. and Ronald J. Jordon, *Security Analysis and Portfolio Management*, Prentice Hall of India Private Limited, New Delhi.

Financial Institutions and Markets

Course Title: Financial Institutions and Markets

Course No: FIN 634

Nature of the course: Specialization

Duration of the course: 100 lecture hours

Duration of the Class: 60 minutes

Full Marks: 100

Pass Marks: 40

Course Objectives

This course aims to provide knowledge to the students on workings of money and capital markets in order to meet the roles of facilitating savings and investment, making payments, supplying credit, accumulating wealth, supplying liquidity, protecting against risk, and supporting public policy particularly in the context of Nepal.

Course Description

This course provides a broad overview of financial system, commercial banking industry, non-bank thrift and other institutions, regulations of financial institutions, interest rates in financial system, money market and instruments, role of central banking and state and local governments in financial markets, consumers in financial markets, businesses in financial markets, and future of financial system. The course also provides the overview of these topics in the context of Nepal.

Contents

1. Introduction

LH 10

The Financial System: Economy and financial system, functions performed by the financial system and financial markets, types of financial markets. Financial assets, Money, and Financial Transactions: Creation of financial assets, characteristics of financial assets, financial assets and the financial system, lending and borrowing in the financial system, money as a financial asset, evolution of financial transactions, relative size and importance of major financial institutions, classification of financial institutions, portfolio decisions by financial intermediaries and other financial institutions, disintermediation of funds.

2. Commercial Banking Industry

LH 10

Structure of commercial banking. Branch banking. Portfolio characteristics of commercial banks. Money creation and destruction by banks.

3. Non-bank Thrift and Other Institutions

LH 8

Credit unions, savings and loan associations, savings banks, money market funds. Insurance companies: life insurance companies, property-casualty insurance companies. Pension funds. Finance companies. Investment companies other financial institutions.

4. Regulation of Financial Institutions

LH 8

Reasons behind the regulation of financial institutions. Regulation of commercial banks. Nonbank thrift institutions. Insurance companies. Pension funds. Finance companies and investment companies. Overview of trends in the regulation of financial institutions.

5. Interest Rates in Financial System

LH 14

Functions of rate of interest rate in economy, classical theory of interest rates, liquidity preference theory, loanable funds theory, rational expectation theory. Relationship between interest rates and security prices: units of measurement for interest rates and security prices, measures of the rate of return or yield on a loan or security, yield-price relationship, interest rates charged by institutional lenders. Inflation, Yield Curves and Duration: Inflation and interest rates, maturity of a loan, duration: a different approach to maturity. Default risk, taxes, and other factors affecting interest rates: Marketability, liquidity, default risk and interest rates, call privileges, taxation of security returns, convertible securities, structure of interest rates.

6. Money Market and Instruments

LH 10

Characteristics of money market: Characteristics of money market and need for money market, volume of money market securities, pattern of interest rates in the money market. Treasury Bills, Dealer Loans and Repurchase Agreements: Treasury bills, primary dealers, dealer loans, and repurchase agreements. Commercial paper, bankers' acceptances, Euro dollars.

7. Central Banking, National and Local Government in Financial Markets

LH 10

Role of central banks, goals and channels of central banking, history and organization, role in today's context. National and local governments in the financial markets: growth of national and local government borrowing, sources of revenue for central/state and local governments, motivation for national and local government borrowing, types of securities issued by national and local governments. Features

of municipal debt, marketing of municipal bonds, problems in municipal market.

8. Consumers in Financial Markets

LH 10

Consumers as lenders of funds, consumers as borrowers of funds, home equity loans, credit and debit cards, determinants of consumer borrowing, consumer lending institutions, factors considered in making consumer loans. Residential Mortgage Market: Recent trends in new home prices and the terms of mortgage loans, structure of mortgage markets, mortgage lending institutions, role of financial institutions in mortgage market, innovations in mortgage instruments, creative financing techniques.

9. Businesses in Financial Markets

LH 10

Business Borrowing: Factors affecting business activity in money and capital markets, Characteristics of corporate notes and bonds, investors in corporate notes and bonds, secondary market for corporate bonds, marketing of corporate notes and bonds, volume of borrowing in corporate bond market, bank loans to business firms, commercial mortgages. Corporate stock: characteristics of common and preferred stock, stock market investors, characteristics of the corporate stock market, the third market: trading in listed securities off the exchange, market for stock options.

10. Future of Financial System

LH 10

Social, economic, and demographic forces and trends reshaping the financial system. Challenges and opportunities presented by recent trends.

Basic Books

Rose, Peter S., *Money and Capital Markets: Financial Institutions and Instruments in a Global Marketplace*, Irwin, Chicago.

Mishkin, Frederic S., *Financial Markets, Institutions, and Money*, Harper Collins College Publishers, New York.

Reference Books

Hadjimichalakis, Michael G. and Karma G. Hadjimichalakis, *Contemporary Money, Banking and Financial Markets*, Richard D. Irwin Inc., Chicago.

Johnson, Hazel J., *Financial Institutions and Markets: A Global Perspective*, Tata McGraw Hill, New Delhi.

- Kohn, Meir**, *Financial Institutions and Markets*, Tata Mcgraw-Hill, New Delhi.
- Campbell and Kracaw**, *Financial Institutions and Capital Markets*, Harper Collins College Publishers, New York.
- Thygerson, Kenneth J.**, *Financial Markets and Institutions*, Harper Collins College Publishers, New York.
- Madura, Jeff**, *Financial Markets and Institutions*, West Publishing Corporation, St.Paul.
- Santemero and Babbel**, *Financial Markets, Instruments and Institutions*, Irwin Publishing.
- Shrestha, Manohar Krishna**, *Finance Companies in Nepal*, Ratna Pustak Bhandar, Kathmandu.
- Shrestha, Manohar Krishna**, *Shareholders' Democracy and Annual General Meeting Feedback*, Ratna Pustak Bhandar, Kathmandu.
- Shrestha, Sunity**, *Portfolio Behaviour of Commercial Banks in Nepal*, Mandala Book Point, Kathmandu.

Multinational Corporate Finance

Course Title: *Multinational Corporate Finance*

Course No: *FIN 635*

Nature of the course: *Specialization*

Duration of the course: *100 lecture hours*

Duration of the Class: *60 minutes*

Full Marks: *100*

Pass Marks: *40*

Course Objectives

This course aims to provide the students with a knowledge of the conceptual framework for key financial analysis and decisions of the multinational firm. It also familiarizes them with tools and techniques for decision making in the international and Nepalese contexts.

Course Description

This course provides an overview of environment of international markets and institutions, with emphasis on implications of international business on capital budgeting, working capital management and capital procurement. The course also provides an overview of these topics in the context of Nepal.

Contents

1. Introduction

LH 5

Rise of multinational corporation, Process of overseas expansion, Multinational financial management: theory and practice.

2. Foreign Exchange Market and Exchange Rate Determination

LH 20

Foreign exchange market: Organization of foreign exchange market, spot market, forward market, relationship between forward rate and the future spot rate, interest rate parity theory, futures contracts, currency options, setting the equilibrium spot exchange rate, expectations and the Asset Market Model of Exchange Rates, fundamentals of central bank intervention, equilibrium approach to exchange rates. Parity conditions in International Finance: Arbitrage and Law of One Price, Purchasing Power Parity, International Fisher Effect, inflation risk and its impact on financial market, currency forecasting.

3. Foreign Exchange Risk Management

LH 20

Measuring accounting exposures: alternative currency translation methods, relevant statements of financial accounting standards, transaction exposure, accounting practice and economic reality;

Managing accounting exposure: managing transaction exposure, managing translation exposure, designing a hedging strategy; Managing economic exposure: Overview of operating exposure management, marketing management of exchange risk, production management of exchange risk, financial management of exchange risk.

4. Multinational Working Capital Management

LH 20

Short-term Financing: Factors in short-term financing strategy, objectives and options in short-term financing, costs of alternative financing options, borrowing strategy and exchange risk management. Financing foreign trade: payment terms in international trade, documents in international trade, financing techniques in international trade, government sources of export financing and credit insurance, counter-trade. Current asset management: international cash management, accounts receivable management, inventory management. Managing Multinational Financial System: Value of multinational financial system, inter-company fund-flow mechanisms, designing a global remittance policy.

5. Foreign Investment Analysis

LH 20

International portfolio investment: measuring the total return from foreign investing, benefits of international equity investing, international bond investing, optimal international asset allocation. Corporate strategy and foreign investment analysis: Theory of multinational corporation, strategy of multinational enterprise, designing a global expansion strategy. Capital Budgeting for the Multinational Corporation: Basics of capital budgeting, issues in foreign investment analysis, foreign project appraisal, political risk analysis, growth options and project evaluation. Cost of Capital for Foreign Investments: Cost of equity capital, weighted cost of capital and all-equity cost of capital for foreign projects, discount rates for foreign investments. Measurement and management of political risk: Measuring political risk, country risk analysis, managing political risk, post-expropriation policies.

6. Financing Foreign Operations

LH 15

International Financing and International Financial Markets: Corporate sources and uses of funds, national capital markets as international financial centers, Euro market, development banks. Special financing vehicles: Interest rate and currency swaps, international leasing, LDC debt-equity swaps. Designing a global financing strategy: minimize expected after-tax financing costs, reducing operating risks, establishing a worldwide capital structure.

Basic Books

Shapiro, Alan C., *Multinational Financial Management*, Prentice Hall of India Pvt. Ltd., New Delhi.

Reference Books

Madura, Jeff, *International Financial Management*, West Publishing Corporation, St. Paul, Minnesota.

O'Brien, Thomas J., *Global Financial Management*, John Wiley & sons, Inc., New York.

Jorian, Philippe and Sarkis Joseph Khoury, *Financial Risk Management: Domestic and International Dimensions*, Blackwell Publishers, Cambridge, MA.

Shapiro, Alan C., *Foundations of Multinational Financial Management*, Prentice Hall Inc., New Jersey.

Baker, James C., *International Finance*, Prentice Hall Inc., New Jersey.

Levi, Maurice D., *International Finance*, McGraw Hill, New Jersey.

Eng, Maximo V., Francis A. Lees and Lawrence J. Mauer, *Global Finance*, Harper Collins Publishers.

Ezker, Mark, Frank Fabozzi and Dwight M. Grant, *International Corporate Finance*, The Dryden Press, Texas.

Moran, Theodore H., *Managing International Political Risk*, Blackwell Publishers, Boston.

Hallwood, C. Paul and Ronald MacDonald, *International Money and Finance*, Blackwell Publishers, Boston.

White, Lawrence H., *The Theory of Monetary Institutions*, Blackwell Publishers, Boston.

Buckley, Adrian, *Multinational Finance*, Prentice Hall Inc..

Buckley, Adrian, *International Capital Budgeting*, Prentice Hall Inc.

Stonhill, Eiteman, *Multinational Business Finance*,

Jain, P.K, J. Peyrard, and S. Yadav, *International Financial Management*, MacMillan India Limited.

Service Marketing

Course Title: Service Marketing
Course No: MKT 641
Nature of the Course: Specialization
Duration of the course: 100 lecture hours
Duration of the Class: 60 minutes

Full Marks: 100
Pass Marks: 40

Course Objectives

The objective of the course is to provide students with decision making knowledge and skills in the area of marketing of services.

Course Description

This course deals on the management aspects of marketing of services. It includes a study of the various aspects of service marketing including the marketing of services in the specialized fields such as social and not-for-profit services, tourism, transport, financial services, professional services and international services.

Contents

1. Introduction

LH 5

Concept and development of service marketing. Characteristics and classification of services. The service marketing environment in Nepal.

2. Organization for Service Marketing

LH 15

The role of marketing in the service organization. Marketing research in service marketing. Services marketing management: corporate missions and objectives; strategic growth options and strategic marketing planning. Marketing planning for services. Internal marketing and relationship marketing. Service quality.

3. The Service Marketing Mix

LH 20

Service product strategy: service attributes; service product life cycle; positioning the service; and new service development. Pricing strategy: Pricing issues for services; organizational objectives and pricing policy; and Framework for service pricing. Promotion strategy: the promotional message; the promotion mix; media choice and selection; managing the promotional effort in service marketing. Distribution strategy: location of service outlets; direct distribution; indirect distribution: channel functions and channel selection. People: role of employee in service marketing; staff selection, recruitment, training and development; and human resource issue in service marketing.

Process and Physical evidence: corporate image and identity; customer perceptions and physical evidence; process; technological developments; and atmospherics.

4. Social and Not-for-profit Service Marketing

LH 10

Features of health and educational service marketing. Marketing for not-for-profit organizations; Strategic marketing program development; and marketing mix for social and not-for-profit marketing. Social and not-for-profit marketing in Nepal: selected cases from social sector.

5. Tourism Marketing

LH 10

Nature and characteristics of the tourism industry. Tourism marketing environment in Nepal; Features of hospitality, travel, trekking and rafting services. Tourism marketing management: tourism marketing mix, marketing planning and strategies.

6. Financial Service Marketing

LH 10

Nature and characteristics of financial service marketing. Features of banking, insurance, credit information and guarantee services. Financial service marketing in Nepal: competitiveness, financial service regulation and legislation. Financial service marketing mix and strategies.

7. Professional Service Marketing

LH 10

Nature and characteristics of professional service marketing. Professional service marketing environment in Nepal. The professional service marketing management: marketing mix and marketing programs.

8. Transport and Communication Services

LH 10

Nature and characteristics of transport and communication services. Transport service mix and strategies. Communication service mix and strategies. Transport and communication service environment in Nepal.

9. International Service Marketing

LH 10

Growth in international service marketing. Globalization and opportunities abroad. Foreign market entry decisions. Considerations for international services.

Basic Books

- Helen Woodruffe**, *Services Marketing*, Macmillan India Limited.
Kootz David L and Kenneth E. Cloe, *Services Marketing*, John Willey & Sons, UK.

Reference Books

- Lovelock C.H.**, *Services Marketing*, Prentice Hall International.
Palmer A., *Principles of Service Marketing*, McGraw Hill.
Kotler Philip, *Strategic Marketing for Nonprofit Organizations*, Prentice Hall International.
Lazer, William and E.J. Kelley, *Social Marketing*, Richard D. Irwin, Homewood Illinois.
Moyen, Reed, *Macro Marketing: A social Perspective*, John Wiley & Sons, New York.

Consumer Behaviour

Course Title: Consumer Behaviour
Course No: MKT 642
Nature of the Course: Specialization
Duration of the course: 100 lecture hours
Duration of the Class: 60 minutes

Full Marks: 100
Pass Marks: 40

Course Objectives

This course aims to provide knowledge and skill to students in the area of consumer behaviour with the aim of developing an analytical perspective for formulating marketing plans and programs.

Course Description

This course deals on the theoretical aspects of consumer behaviour and their implications for marketing strategy planning and decision making in private, public and non-profit sectors. It includes the concept of behaviour modeling and theory development in consumer behaviour research, the consumer decision process, and individual, social and cultural determinants of consumer behaviour.

Contents

1. Introduction

LH 5

Nature and concept of consumer behaviour analysis. Reasons for the study of consumer behaviour. Application of consumer behaviour knowledge in marketing.

2. Behavioural Science Methodology and Consumer Behaviour Models

LH 20

Historical perspectives on consumer research. Behavioural science foundations for consumer behaviour. Behaviour modeling: models, types, uses and development of theories for consumer behaviour analysis. Models of consumer behaviour: economic models-micro and macro perspectives and behavioural economics model; contemporary models: Nicosia model, Howard-Seth model, and Engel-Blackwell and Miniard model.

3. Consumer Decision Process

LH 20

Problem solving approach to consumer decision making: high involvement and low involvement situations; RPS, LPS and EPS modes. Problem recognition: situations leading to problem recognition;

problem recognition in low-involvement situations. Information search: internal, external, passive and active information search; extent and pattern of information seeking. Evaluation: evaluative criteria. Choice: decision rules in high- involvement and low involvement situations; experiential choice processes; choice among non-comparable alternatives; store choice. Post-acquisition phase: consumption and use behaviour; satisfaction and dissatisfaction; consumer complaint behaviour; product disposition

4. Individual Determinants of Consumer Behaviour **LH 30**

Motivation: concept and nature of motivations; systems of needs; motive structuring and arousal; measurement of motives; motivation research. Learning: concept and types of learned behaviour; behavioural and cognitive learning theories. Memory: types and process, knowledge and forgetting. Brand loyalty and brand equity. Storage patronage. Perception: concept and process of perception. Perceptual selection, organization and interpretation. Consumer imagery. Personality and Psychographics: nature of personality; personality theories; self-concept: types of self-image; product symbolism; measurement of self-concept and product image. Consumer life-styles: concept and measurement. Attitude: nature and functions of attitude; structural models of attitude; attitude formation and change; cognitive dissonance and attribution theories; congruity and balance theories; multi-attribute models: attitude toward the object model; behavioural intention model; role of communication in persuasion and attitude change.

4. Socio-environmental Determinants of Consumer Behaviour

LH 25

Group: types of groups; group influence on consumer behaviour; group shifts, social traps and fences. Diffusion process: diffusion of innovations, rumors and consumer crowd behaviour. Family: functions of family; family decision making; family life cycle. Reference group: role of reference groups and opinion leadership in consumer buying decisions; consumer conformity; application of reference group concept in marketing. Social Class: social class categories; measurement of social class; social class mobility; affluent and non-affluent consumer behaviour; and consumer behaviour applications of social class. Culture: characteristics, measurement and influence of culture on consumer behaviour.

Basic Books

- Sciffman L.G. and Kanuk L.L.**, *Consumer Behaviour*, Prentice Hall India.
Mowen J.C., *Consumer Behaviour*, Maxwell Macmillan International.
Louden D.L. and Della Bitta A.J., *Consumer Behaviour: Concepts and Applications*, McGraw Hill Inc.

Reference Books

- Engles J.F. and Blackwell R.D.**, *Consumer Behaviour*, The Dryden Press.
Britt, Stuart Henderson, *Consumer Behaviour and the Behavioural Sciences*, John Wiley & Sons, New York.
Myers, James H. and W.R. Reynolds, *Consumer Behaviour and Marketing Management*, Houghton Mifflin Co.

Marketing Research

Course Title: Marketing Research
Course No: MKT 643
Nature of the Course: Specialization
Duration of the course: 100 lecture hours
Duration of the Class: 60 minutes

Full Marks: 100

Pass Marks: 40

Course Objectives

The course aims to equip the students with knowledge and skills required for conducting marketing research.

Course Description

This course includes the description of the marketing research organization and process, research designs, data collection methods and tools, sampling, data analysis, report preparation and presentation, and application of research in the areas of market segmentation, product development, advertising, sales, attitude and psychographics.

Contents

1. Introduction

LH 10

Concept and development of marketing research. Marketing information system. Role of research in marketing management. Organization of marketing research. Scientific and non-scientific methods. Applying scientific methods in marketing research. Overview of the marketing research process.

2. Research Design

LH 15

Exploratory research design: use and design of exploratory studies. Descriptive studies: types of descriptive studies and their use. Experimental designs: types and uses in marketing research.

3. Sampling and Data Collection

LH 15

The sampling process and methods. Secondary data: Nature and use of secondary data. Primary data: observation and questionnaire survey. Questionnaire design process. Pre-testing, editing and coding. Administration of personal and telephone interviews. Fieldwork planning and organization. Tabulation of data.

4. Data Analysis and Reporting **LH 25**
Descriptive, inferential, logical, comparative analysis and statistical analysis. Test of hypotheses. Measures of association. Factor analysis; cluster analysis; conjoint analysis and discriminant analysis. Preparation and presentation of oral and written reports. Report formats.

5. Research for Market Segmentation **LH 10**
Descriptors for consumer and industrial market segmentation. Segmentation models; a priori segmentation; cluster-based segmentation; benefit segmentation and attractiveness criteria. The research process for segmentation.

6. Product Research **LH 5**
Developing product specifications. Product concept test. Product test. Test marketing and its evaluations.

7. Advertising Research **LH 5**
Copy testing research. Media research. Measurement of advertising effectiveness

8. Sales Research **LH 5**
Market potential analysis. Sales analysis. Sales forecasting methods.

9. Attitude and Psychographic Research **LH 10**
Methods of collecting attitude data. Multidimensional scaling of preferences and perceptions. Tools and techniques of motivation research. Personality measurement instruments.

Basic Books

Boyd H. W., Westfall R. and Stasch S.F., *Marketing Research: Text and Cases*, Richard Irwin Inc.

Tull D.S. and Hawkins D.I., *Marketing Research: Measurement and Method*, Maxwell Macmillan International Editions.

Reference Books

Green P.E and Tull S.D., *Research for Marketing Decisions*, Prentice Hall India.

Luck D.J., Wales G.H., Taylor D.A. and Rubin R.S., *Marketing Research*, Prentice Hall India.

International Marketing

Course Title: International Marketing
Course No: MKT 644
Nature of the Course: Specialization
Duration of the course: 100 lecture hours
Duration of the Class: 60 minutes

Full Marks: 100
Pass Marks: 40

Course Objective

This course aims to equip the students with knowledge of international marketing environment and strategic considerations for international marketing decisions. It also provides an understanding of the structure of Nepal's international trade.

Course Description

This course includes a study of theoretical basis of international marketing; economic, cultural, political and legal environment for international marketing; international product, pricing, distribution and promotion strategies; and management of international trade in Nepal.

Contents

1. Introduction

LH 4

✓ Concept of international marketing, international trade, multinational marketing, global marketing and international business. Domestic marketing versus international marketing. Reasons for going international. The international marketing task: an environmental approach.

2. Theoretical Basis of International Marketing

LH 6

✓ Historical perspective of world trade. Trade theories: Ricardian theory; factor-endowment theory; Leontief Paradox; per-capita income theory. Implication of trade theories in international marketing.

3. Economic Environment

LH 10

✓ Composition and direction of world trade. Size of world market: population and income. Trade barriers in international markets: tariff and non-tariff barriers. WTO- The Uruguay Round and features of major agreements. Role of UNCTAD and ITC in international trade and marketing. Regional trading blocks: EC, ASEAN, SAPTA and SAFTA.

4. Cultural Environment

LH 10

Cultural diversities. Dimensions of culture: material culture, language, aesthetics, education, religion, attitudes, values and social organizations. Adaptation in international marketing: criteria for adaptation and degree of adaptation. Cultural factors and business practices: time consciousness; level of business contacts; communication emphasis; negotiation emphasis; formality and tempo. Analysis of cultural factors for marketing decisions: cultural bargaining; exploring similarities and dissimilarities; and resistance to change.

5. Political Environment

LH 5

Political factors affecting international marketing: role of government in the economy; political stability; international political relations; and political vulnerability. Objectives and methods of political risk assessment. Methods of reducing political risks.

6. Legal Environment

LH 10

Legal perspectives: domestic law; international law; law governing regional groupings; and foreign law. Nepalese laws and international marketing: export regulations; export licensing; customs policy; foreign exchange policy; and foreign investment regulations. Resolving legal conflicts: arbitration and litigation.

7. Marketing Research

LH 5

Nature and characteristics of international marketing research. Breadth and scope of international marketing research. International marketing information system. Problems in international marketing research.

8. Product

LH 10

Nature of product. Product mix strategies: standardization versus adaptation; packaging; labeling; branding and trademark; warranty and service policy; marketing of service products; product line and product mix strategies; product planning and development. International product life cycle and marketing strategies. Nepalese products in international markets. Test of product suitability in international markets: product suitability investigation and product adaptation.

9. Pricing

LH 10

Price behaviour. Non-price factors. Factors in international pricing: supply and demand; cost of production; exchange rate; market share; tariffs and distribution costs; promotion cost; and culture. International

pricing methods: export pricing; administered pricing; transfer pricing; foreign market pricing. Pricing by Nepalese export firms..

✓ 10. Distribution

LH 10

Determining the distribution system: methods of market entry; and selection of distribution channel. Methods of entry into foreign markets. Direct exporting domestic manufacturing-foreign sales; foreign manufacturing-foreign sales; contract manufacturing; licensing; assembly; joint venture; and fully owned subsidiaries. Indirect exporting: export management companies; and piggyback exporting. Channel constraints in foreign markets. Criteria for market entry. Methods of market entry in Nepal.

✓ 11. Promotion

LH 10

International marketing communication. Promotion mix strategies. International advertising: methods and media; constraints on international advertising program. Public relations: concept; nature of public relations tasks; and constraints on international public relations. International trade fairs and exhibitions: concept; types of trade fairs and exhibitions; methods of participating in international trade fairs and exhibitions; planning for participation in international trade fairs and exhibitions; Nepal's participation in international trade fairs and exhibitions. Promotion of foreign products in Nepal. Promotion of Nepalese products in international markets.

12. Foreign Trade Management in Nepal

LH 10

Structure of Nepal's foreign trade: direction and composition of export and import. Trade policy of Nepal and its implications. Problems and strategic solutions to Nepal's foreign trade. Generalized system of preferences: concept; procedures; achievements and problems. Trade arrangement with India and China. Transit structure and problems. Institutional arrangement for export promotion and development. WTO: membership and its implications. SAFTA and its implications for Nepal.

Basic Books

Cateora P.R., *International Marketing*, Richard D. Irwin Inc.

Terpstra Vern., *International Marketing*, Holt-Saunders International Edition.

Onkrit S. and Shaw J.J., *International Marketing: Analysis and Strategy*, Prentice Hall India.

Shrestha S.K., *Export Management in Nepal: A Critical Study*, Padma Educational Traders, Kathmandu.

Reference Books

- 4. Jeannet T.P. and Hanessey H., *Global Marketing Strategies*, Houghton Press.
- Jain S. , *Multinational Marketing Management*, Prentice Hall India.
- Keegan W.J., *Multinational Marketing Management*, Prentice Hall India.
- 5. Kirpalani V.H., *International Marketing*, Prentice Hall India.
- Majaro S. , *International Marketing*, Holt-Saunders International Editions.
- Publications of Trade Promotion Centre, Ministry of Commerce, Ministry of Industry, WTO, ITC, UNCTAD and World Bank.



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