

MID-WESTERN UNIVERSITY  
EXAMINATIONS MANAGEMENT OFFICE  
FINAL EXAMINATION: 2019  
BACHELOR OF BUSINESS STUDIES (BBS)  
SEMESTER – VII

Subject: Taxation  
Full Marks: 100

Course Code: ACC 375  
Time: 3:00 Hours

*You are required to answer in your own words as far as applicable. Figures in the margins indicate full marks.*

**SECTION A: VERY SHORT ANSWER QUESTIONS (10 X 2 = 20 MARKS)**

Answer **ALL** questions.

- Q1. Describe in brief the canon of equality with suitable example.
- Q2. Define Direct tax with suitable example.
- Q3. What do you mean by employment income?
- Q4. Point out any five income included in business income?
- Q5. Mr. Hari was appointed as a government officer on a pay scale of Rs 25,000-500-28,000 EB 1000-35,000 on 1st Shrawan 2065.  
You are required to calculate his annual salary.
- Q6. Mr. Sohan an auditor furnished the following details of his income during the year.
- Audit fee Rs 170,000 (after TDS)
  - Consultation fees Rs 85,000(after TDS)
  - Directors fee Rs 100,000
  - Accounting assistance fees Rs 150,000
  - Meeting fees Rs 42500 (Net)
  - Lottery win Rs 150,000 (Net)
  - Interest from fixed deposit Rs 95,000 (Net)
- Required:** Assessable income from profession
- Q7. XYZ Company provides the following details of its fixed assets under Block C.
- Beginning written down Value of assets is Rs 6,00,000.
  - New addition of assets: On 1st Mangsir of Rs 400,000
  - On 15th Baisakha of Rs 600,000
  - Disposed Value of assets of Rs 200,000
- Required:** Amount of depreciation to be charged in current year.
- Q8. Mr Suresh is an employee of the government of Nepal. His annual salary of Rs 10,00,000 and other allowance of Rs 10,000 p.m. He is enjoying a car and accommodation facility given by office. Calculate his total taxable income.
- Q9. Following are the information of a dealer selling varieties of electronic equipments.
- Sales Five pieces of Samsung T.V. @ Rs 25,000 each.
  - Sales Two pieces of LG LED@ Rs 20,000 each.
  - Discount provided to customers @ 10% .
- Required:** VAT collected by the dealer from the customers
- Q10. Mr. Nabin submitted the following details regarding investment.
- |  |                  |
|--|------------------|
| • Royalty from natural resources             | Rs 150,000       |
| • Interest from fixed deposit on Prabhu Bank | Rs 80,000        |
| • Rent from house                            | Rs 100,000       |
| • Rent by letting computer let out           | Rs 270,000 (Net) |
| • Expenses related to natural resource       | Rs 15,000        |
| • Interest from private parties              | Rs 85,000 (Net)  |
- Required:** Assessable income from investment

**SECTION B: SHORT ANSWER QUESTIONS (6 X 8 = 48 MARKS)**

Answer any **SIX** questions.

Q11. Mr. Lama a Disabled person working an officer of a government owned organization had started his job on 1<sup>st</sup> Shrawan 2064 at salary scale of Rs 20,000-500-27,000 EB 1,000- 35,000. He had submitted other detail regarding his income and expenditures of previous year as below.

- Travelling and daily allowance of Rs 30,000
- Dearness allowance of Rs 2,000 p.m.
- Remote area allowance 25% of salary.
- His LIP paid by the employer Rs 10,000 and annual insurance premium is Rs 35,000.
- Scholarship provided by employer to his son equal 10% of salary.
- Stationery bill of his daughter paid by office Rs 1,200 P.M.
- Royalty income from natural resources Rs 42,500.(Net)
- Vehicle facility provided by employer but vehicle is used for office as well as personal use.
- Accommodation facility provided by employer with free of cost, but rent paid by the office of Rs 6,000 P. M.
- He received interest from Bank of Rs 9,500(Net)
- His office is in remote area D
- He had donated to public school Rs 25,000.

**Required:**

- a. Net (Assessable) income from employment (5)
- b. Statement of total taxable income (2)
- c. Tax liability (1)

Q12. "Tax is a compulsory contribution by a person to the government". Discuss this statement and explain the importance of tax for the government.

Q13. Mr. Birat disclosed his following income and expenditure for the previous year.

- |  |                        |
|--|------------------------|
| • Interest on private money lending activities         | Rs 130,000             |
| • Royalty from natural resources (net)                 | Rs 306,000 (after TDS) |
| • Interest from bank deposit                           | Rs 110,000             |
| • Dividend from domestic company                       | Rs 65,000              |
| • Royalty from writing articles                        | Rs 25,000              |
| • Royalty from book publication                        | Rs 85,000 (after TDS)  |
| • Compensation received                                | Rs 70,000              |
| • Money found laying in street                         | Rs 78,000 (net)        |
| • Disabled allowance from government                   | Rs 12,000              |
| • Amount received for accepting investment restriction | Rs 40,000              |
| • Bad debts recovered (40% not allowed previously)     | Rs 75,000              |
| • Rent received from subletting let out                | Rs 90,000              |
| • Gift received from tenants                           | Rs 15,000              |

He claimed following expenses for deduction:

- |  |           |
|--|-----------|
| • Interest collection charge for private money | Rs 3,000  |
| • Natural resource                             | Rs 2,000  |
| • Royalty from writing articles                | Rs 1,000  |
| • Dividend from domestic company               | Rs 500    |
| • Salary to assistant                          | Rs 30,000 |
| • Life insurance premium                       | Rs 15,000 |
| • Donation to tax exempt organization          | Rs 12,000 |

**Required :**

- a. Net (Assessable) income from Investment (5)
- b. Statement of total taxable income (2)
- c. Tax liability (1)

Q14. Describe the method of tax assessment under Income Tax Act, 2058. (8)

- Q15. What is provision for depreciation? Briefly discuss the provision of depreciation under Income Tax Act 2058. (2+6)
- Q16. a) A importer imported a Laptop for Rs 25,000. VAT was on its imported. This product passes through three stage before reaching to the final consumer. Value added by each businessman on the cost price is as follows.  
Importer 20%      Manufacturer 30%  
Wholesaler 10%      Retailer 15%
- Required:** i) VAT collected by the government (4)  
ii) Cost price to the customer. (1)
- b) Write, in short, the advantage of value added tax. (3)
- Q17. Who is tax assesses? Briefly describe the rights and duties of a tax payer under income tax Act 2058. (1+7)
- Q18. An special industry under company Act of Nepal provides the following details of its assets under different blocks as :

Block	WDV as on 1st shrawan	Addition of assets	Purchase at	Remarks
A	50,00,000	Nil		
B	25,00,000	Nil		
C	40,00,000	A Mini bus	10,00,000	Ist chaitra
D	20,00,000	A machine	800,000	Ist mangsir

The company incurred Rs 600,000 as a cost of patent right for a period of 20 years and 5 month. There was no disposal of assets under any block during the income year.

**Required:** Allowable depreciation of the assets under difference blocks. (8)

### SECTION C: LONG ANSWER QUESTIONS (2 X 16 = 32 MARKS)

Answer any **TWO** questions.

- Q19. "The present tax policy of the government is enough for the overall development of industries in under develop areas." Comment in brief and discuss the various features that are available in Income Tax Act 2058. (6+10)
- Q20. Following is the trading and Profit & Loss Account of a company for the previous year is given below.

Particulars	Rs	Particulars	Rs
To Opening stock	110,000	By Sales	50,00,000
To direct material	20,00,000	By closing stock	200,000
To manufacturing expenses	100,000		
To gross profit	29,90,000		
	<b>52,00,000</b>		<b>52,00,000</b>
To Provision for bad debts	50,000	By Gross profit	29,90,000
To salary	450,000	By Dividend	50,000
To provision for tax	80,000	By Interest on investment	100,000
To hospitality expense	20,000	By Compensation	40,000
To fire insurance premium	20,000	By Bad debts recovered	80,000
To Research & development	300,000	By Gifts from clients	20,000
To Donation	40,000	By Interest from private parties	40,000
To Audit fee	70,000	By Sundry income	210,000
To Legal fee	20,000	By Gain on sale of investment assets	100,000
To Postage and telegram	5,000	By Discount	10,000
To General expenses	70,000		
To Distribution cost	50,000		
To Staff welfare expenses	24,000		
To Discount	39,000		
To Interest	40,000		
To Gratuity	40,000		
To commission	5,000		
To Bonus to staff	105,000		
To Net profit	22,12,000		
	<b>36,40,000</b>		<b>36,40,000</b>

Additional Information

- 40% bad debts recovered was not allowed previously.
- Actual bad debts expenses is Rs 30,000.
- Legal charge included Rs 10,000 appeal against income tax officer.
- Distribution cost included Rs 5,000 for personal expenses.
- Allowable amount of depreciation and repairs are Rs 100,000 and Rs 6,000 respectively.
- Fire insurance premium included Rs 10,000 for the life insurance of his own.

- Required:** (a) Net (assessable) income from business (10)  
 (b) Statement of total taxable income (4)  
 (c) Total tax liability (2)

Q21. The following Receipt and payments accounts of an Auditor is given below:

Receipt	Rs	Payments	Rs
To Balance b/d	450,000	By office salaries	380,000
To Surgical fee	250,000	By office expenses	20,000
To consultancy fees	300,000	By Purchase: Car, in Magh Sofa set in Jestha	400,000 50,000
To visiting fee	150,000	By Telephone expenses	15,000
To Agriculture income	50,000	By Electricity bill	8,000
To Dividend after TDS	22,250	By Life insurance premium	12,000
To Income from natural resource	80,000	By natural resource collection cost	2,000
To Royalty from writing medical books TDS	85,000	By Donation to Bir hospital	20,000
To Sundry income	30,000	By Research & develop cost	300,000
To		By Balance c/d	210,250
	<b>14,17,250</b>		<b>14,17,250</b>

Adjustments:

- Car was used equally for both official as well as personal.
- He has charged Rs 8,000 and Rs 2,000 for repair car and sofa set respectively.
- One- third of telephone expenses relates for personal use.
- Royalty collection charged of Rs 1,500 not shown in above.
- 50% Life insurance premium paid on his own policy and balance paid of his son.
- Sundry income included of Rs 5,000 for bad debts recovered.

- Required:** (a) Net (assessable) income from profession (10)  
 (b) Statement of total taxable income (4)  
 (c) Total tax liability (2)



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BACHELOR OF BUSINESS STUDIES (BBS)  
SEMESTER – VII

Subject: Accounting for Financial Institutions  
Full Marks: 100

Course Code: ACC 376  
Time: 3:00 Hours

*You are required to answer in your own words as far as applicable. Figures in the margins indicate full marks.*

**SECTION A: VERY SHORT ANSWER QUESTIONS (10 X 2 = 20 MARKS)**

Answer **ALL** questions.

- Q1. Give the meaning of banking business.  
Q2. Write the general rule of asset account.  
Q3. Mention in brief about Legal Provision relating to Reserve fund  
Q4. List any two importance of trial balance.  
Q5. What are the reasons of preparing income statement?  
Q6. Point out two assumptions of B.E analysis.  
Q7. The provision for tax for last year and this year were Rs.8,000 and Rs.12,000 respectively. Provision made during the year was Rs. 8,000.  
**Required:** Tax paid for the year.  
Q8. Define the term quick ratio.  
Q9. What is Surveyor?  
Q10. Write any two Limitations of Financial Statements.

**SECTION B: SHORT ANSWER QUESTIONS (6 X 8 = 48 MARKS)**

Answer any **SIX** questions.

- Q11. Explain the main functions of commercial bank. [8]  
Q12. Give the concept of break-even ratio. Explain the importance of ratio analysis. [8]  
Q13. Write the function, duties and power of the Nepal Insurance Board. [8]  
Q14. Transaction are given:  
  - Started ABC business with equity share capital Rs. 20, 00,000 and Preference share capital Rs. 80, 00,000.
  - Computer costing Rs. 25,000 was sold Rs. 27,000.
  - Goods purchased from Rama of Rs. 400,000.
  - Cash paid to Rama Rs. 398,000 in full settlement of his account.**Required:**  
 a) Journal Entries [4]  
 b) Rama's Account [2]  
 c) Cash Account [2]

- Q15. Prepare trial balance from the following items. [8]

Particular	Amount (Rs.)	Particular	Amount (Rs.)
Capital	6,10,000	Machinery	200,000
Opening stock	17,000	Cash and Bank	18,000
Office furniture	10,500	Sundry debtors	38,000
Sundry creditors	45,000	Purchase	30,000
Cash in Hand	750	Sales revenue	55,000
Discount allowed	1200	Rent	1,000
Wage	20,000	Salary	20,000
Insurance	800	Carriage inward	2,000
Bills payable	16,00		

- Q16. You are supplied the following information: [2+2+1+1+1+1]

Earning for the year	Rs. 40,000	10% Preference share capital	Rs. 80,000
Equity share capital (2,000 share)	200,000	Dividend paid to equity shareholders	20,000
Market price per share	200	Total assets	400,000

**Required:**

- 1) Earnings per share  
2) Dividend per share  
3) Dividend payout ratio  
4) Dividend yield ratio  
5) Earning yield ratio  
6) Price earnings ratio
- Q17. You have been provided the following information in respect of three products namely A, B and C.

Product	A	B	C
SPPU (Rs.)	50	100	200
VCPU (Rs.)	30	50	120
Sales mix	5	3	2

Total fixed cost Rs. 410,000

- Required:** a) Overall BEP in units  
 b) Product wise BEP in unit  
 c) Product wise BEP in Rs and overall BEP in Rs.

[3]  
 [3]  
 [2]  
 [8]

Q18. Explain the any four types of bank in the context of Nepal.

**SECTION C: LONG ANSWER QUESTIONS (2 X 16 = 32 MARKS)**

Answer any **TWO** questions.

Q19. The Position of Assets and Liabilities are as follows:

Items	2073 (Rs.)	2074 (Rs.)
Plant and Machinery	50,000	90,000
10% investment	80,000	50,000
Copyright	40,000	25,000
Preliminary Expenses	15,000	-
Equity Share Capital	200,000	300,000
EquityShare Premium	20,000	30,000
Mortgage Loan	40,000	-
P/L Appropriation A/C	80,000	100,000
Bill Receivable	5,000	8,000
Inventory	4,000	2,000
Prepaid Expenses	8,000	5,000
Cash and Bank Balance	43,000	50,000
Account Payable	8,000	6,000
Outstanding Expenses	4,000	7,000
Bank Overdraft	9,000	5,000
Provision for Taxation	14,000	20,000
10% Debenture	150,000	150,000

**Additional Information:**

- Depreciation on plant and Machinery was Rs.10,000
- Net Profit for the year Rs.150,000
- Interest on investment for the year 2074 was Rs.8,000
- Provision for the dividend this year Rs.50,000
- Investment were sold on Profit Rs. 10,000(31-12-2074)

**Required:** Cash flow Statement

[16]

Q20. Trail Balance of Global CompanyPvt.Ltd. as on 31st Dec. 2018

Particular	Rs.	Particular	Rs
Opening Stock	60,000	Sales Revenue	1150,000
Purchases	600,000	Return Outward	5,000
Wages and salary	100,000	Share Capital	500,000
Carriage outward	20,000	7% Debentures	100,000
Sundry Debtors	100,000	Creditors	68,000
Land and Building	600,000	Provision for bad Debt	5,000
Equipment	300,000	Commission	12,000
Cash Balance	10,000	P/L Appropriation Account	90,000
Discount	5,000		
Stationery	25,000		
Communication Expenses	20,000		
Miscellaneous Expenses	40,000		
Closing Stock	50,000		
Total	19,30,000	Total	19,30,000

**Adjustment:**

- Depreciation to be provided on equipment at 10%
- Provision for bad debt to be increased by 2%
- Commission received in advanced Rs.2,000
- Provision for dividend at 5% on paid up capital

**Required:**

- Income Statement
- Profit and Loss appropriation account
- Balance sheet

[8]  
 [2]  
 [6]

Q21. Write the concept of insurance. Explain the types of insurance.

[4+12]



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FINAL EXAMINATION: 2019  
BACHELOR OF BUSINESS STUDIES (BBS)  
SEMESTER – VII

Subject: Financial Institution and Market

Course Code: FIN 375

Full Marks: 100

Time: 3:00 Hours

You are required to answer in your own words as far as applicable. Figures in the margins indicate full marks.

**SECTION A: VERY SHORT ANSWER QUESTIONS (10 X 2 = 20 MARKS)**

Answer **ALL** questions.

- Q1. Explain the methods of selling securities in financial market.
- Q2. State the meaning of over the counter market.
- Q3. Describe the role of financial market.
- Q4. What do you mean by IPO?
- Q5. List out the methods of fund transfer in financial market.
- Q6. Write any two features of mutual funds.
- Q7. The 30-day T bill are currently yielding 5.5%, inflation premium is 3.25% and default risk premium is 2.15%, calculate the real risk free rate.
- Q8. An open end mutual fund has a net assets value of Rs 10 per share. It is sold with a front end load of 6%. What is the offering price?
- Q9. What are the key determinants of interest rate?
- Q10. What do you mean by merger and acquisition?

**SECTION B: SHORT ANSWER QUESTIONS (6 X 8 = 48 MARKS)**

Answer any **SIX** questions.

- Q11. What is investment banking? Explain the functions of investment banking. (3+5)
- Q12. State the meaning of capital market. Describe the role of capital markets in Nepalese economy. (3+5)
- Q13. The XYZ Fund a closed end investment Company has a portfolio of assets worth Rs 5,000 million. It also has 400 million shares outstanding.
  - a. What is the fund NAV? (4)
  - b. If the fund trades at 8% discount from its NAV, what is the market price of the fund's share? (4)
- Q14. Explain the major financial institution in Nepal. (8)
- Q15. What do you mean by primary market? How is it different from secondary markets? Explain. (4+4)
- Q16. What are the instruments of money market? Explain each of them. (8)
- Q17. Differentiate between open end and closed end mutual fund. (8)
- Q18. What is term loan? Explain the features of term loan. (8)

**SECTION C: LONG ANSWER QUESTIONS (2 X 16 = 32 MARKS)**

Answer any **TWO** questions.

- Q19. Differentiate between the common stock and bond. Also explain their advantage and disadvantages from the company's point of view. (8+8)
- Q20. Manisha has been managing the portfolio of XYZ investment for the last two year. She found that her portfolio had earned a return of 70.6% with the standard deviation of 41.31% and had a beta of 1.21. During the period, the return of the market was 41.4% with a standard deviation of 19.44%. Assume that the risk free rate was 12%.
  - a. Compute the Sharpe index for Manisha's portfolio. (6)
  - b. Compute the sharpe index for market portfolio. (6)
  - c. Comment on performance of Manisha's portfolio over the market portfolio using the findings in 'a' and 'b'. (4)
- Q21. What are the rationales behind merger and acquisitions? Explain. (16)

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BACHELOR OF BUSINESS STUDIES (BBS)  
SEMESTER - VII

Subject: Investment Analysis

Course Code: FIN 376

Full Marks: 100

Time: 3:00 Hours

*You are required to answer in your own words as far as applicable. Figures in the margins indicate full marks.*

**SECTION A: VERY SHORT ANSWER QUESTIONS (10 X2 = 20 MARKS)**

*Answer all questions.*

- Q1. Write any two differences between financial assets and real assets.  
Q2. What do you mean by financial intermediaries?  
Q3. Define NSE Float Index.  
Q4. Consider the following three stocks P, Q and R with the following closing prices on two particular dates:

Stock	Date 1	Date 2
P	250	275
Q	150	140
R	350	375

Construct the Equally Weighted Index using the three stocks.

- Q5. Assume you purchased a bond for Rs 9,500. The bond pays Rs 300 interest every six month. You sell the bond after 18 months for Rs. 10,000. Calculate:  
a) Capital gain yield  
b) Holding Period return.  
Q6. Given the following measures, explain which investment is acceptable: investment A that yields 10 percent but required return is 11 percent; Investment B yields 9 percent but required return is 8 percent.  
Q7. What do you mean by EURO Bond?  
Q8. Write the meaning of Ask Quote in T bill quotation.  
Q9. Do you think a 200 percent stock dividend and a 2 for 1 stock split is similar? Describe.  
Q10. Consider the following Treynor's measure for a portfolio P and the Market M:  $T_P = 4.65$  and  $T_M = 5.43$ . Do you think that the portfolio P has outperformed the market?

**SECTION B: SHORT ANSWER QUESTIONS (6 X 8 = 48 MARKS)**

*Answer any SIX questions:*

- Q11. Define investment? What are the steps involved in investing? Explain. (3+5)  
Q12. What do you mean by securities market? Distinguish between primary market and secondary market. (3+5)  
Q13. Mr. Shyam Bhandari wishes to develop an average or index that can be used to measure the general behavior of stock prices over time. He has decided to include 6 closely followed, high-quality stocks in the average or index. He plans to use August 15,1981, his birthday, as the base and is interested in measuring the value of the average or index on August 15, 2005, and August 15 2008. He has found the closing prices for each of the 6 stocks, A through F, at each of the 3 dates and has calculated a divisor that can be used to adjust for any stock splits, company changes, and so on that occurred since the base year, which has a divisor equal to 1.00.

Stock	Closing stock price		
	August 15,2008	August 15,2005	August 15,1981
A	46	40	50
B	37	36	10
C	20	23	7
D	59	61	26
E	82	70	45
F	32	30	32
Divisor	0.70	0.72	1.00



Note: The number of shares of each stock outstanding has remained unchanged at each of the 3 dates. Therefore, the closing stock prices will behave identically to the closing market values.

- Using the data given in the table, calculate the market average, using the same methodology used to calculate the Dow averages, at each of the 3 dates-the 15th of August 1981, 2005, and 2008. (2)
- Using the data given in the table and assuming a base index value of 10 on August 15, 1981, calculate the market index, using the same methodology used to calculate the S&P indexes, at each of the 3 dates. (2)
- Use your findings in part a and b to describe the general market condition-bull or bear- that existed between August 15, 2005, and August 15, 2008. (2)
- Calculate the percentage changes in the average and index values between August 15, 2005, and August 15, 2008. Why do they differ? (2)

Q14. The rate of return on stock A and stock B for past five years are as below:

Year	Return on stock A	Return on stock B
2011	-18%	-14.5%
2012	33%	21.8%
2013	15%	30.5%
2014	-0.5%	-7.6%
2015	27%	26.3%

Calculate the expected return and standard deviation of stock A and stock B. In which stock will you invest? Give reasons. (8)

Q15. Consider a 180 days treasury bill, issued today which is selling for Rs 98,250. Its face value is Rs. 100,000.

- What is 180 days discount rate? (2)
- What is the annual discount based on the selling price of security? (2)
- What is the 180 days yield or HPR? (2)
- What is the annual equivalent yield of the security? (2)

Q16. The following is the corporate bond quotations recently were reported in the Wall Street Journal:

Bonds	Cur yld	Vol	Close	Chg.
ATT 8 1/8 24	7.9	25	103 5/8	1/8
Borden 8 3/8 16	9.7	5	86	4
CrownCk 7 3/8 26	16.8	60	44	-2
Honyzr 05	-	5	82 1/2	-1 1/8
Noram 6s 12	CV	45	947/8	-1/8

- How much would you have had to pay to buy one CrownCk bond at the closing trade? (2)
- Why is the current yield on the CrownCk so much higher than the yield on the ATT bond? (2)
- How much did the price of one Borden bond change from the prior day's closing price? (2)
- What do you mean by 'zr' and 'cv' for Hony and Noram bonds respectively? (2)

Q17. Meera's portfolio earned a return of 16.6 percent during the year just ended. The portfolio standard deviation of return was 18.8 percent. The risk free rate is currently 8.8 percent. During the year, the rate of return in market portfolio was 10 percent and its standard deviation was 15.5 percent.

- Calculate the Sharpe's measure for Meera's portfolio. (2)
- Compare the performance of Meera's portfolio found in part (a) to that of Jeera's portfolio, which has a Sharpe's measure of 0.44. Which portfolio performed better? Why? (2)
- Calculate the Sharpe measure for the market portfolio. (2)
- Use your findings in parts (a) to (c) to discuss the performance of Meera's portfolio relative to the market during the year just ended. (2)

Q18. What is corporate bond? Explain the differences between corporate bond and government bond. (3+5)

### SECTION C: LONG ANSWER QUESTIONS (2 X 16 = 32 MARKS)

Answer any **TWO** questions:

Q19. What do you mean by Capital Assets Pricing Model? What role does beta play in the CAPM? Explain with illustration. (4+12)

Q20. Consider the following information:

State of Economy	Probability	Percentage return		
		Mutual Fund	Common Stock	Certificate of Deposit
Weak	33.33	8	6	7
Moderate	33.33	10	12	7
Strong	33.33	12	15	7

Beta of Mutual Fund, Common Stock and Certificate of Deposit is 1, 1.2 and 0 respectively.

- a) Which alternative provides the highest expected return? (3)
  - b) Which alternative is least risky in terms of standard deviation? (6)
  - c) Which alternative is the most risky in terms of beta? (1)
  - d) Suppose you form a portfolio X consists of 75 percentage investment in Common Stock and 25 percentage investments in Certificate of Deposit, What will be the return, standard deviation and beta of your portfolio?(5)
  - e) Why do we calculate beta when risk can be measured by standard deviation? Explain. (1)
- Q21. Moonlight Company just paid dividend of Rs 10 per share and the required rate of return on the company's stock is 15 percent.
- a) If the dividend is expected to remain constant forever, calculate the value of stock at now. (3)
  - b) Calculate the value of stock at now, assuming constant growth rate of 5 percent per year forever. (3)
  - c) i) Calculate the value of stock at now, assuming the company will increase its dividend by 20 percent next 2 years, after which the company will keep constant growth rate of 5 percent per year forever. (3)  
 ii) Suppose the current share price for the firm is Rs 160. What required return must investor is demanding for the stock assuming all information on dividend remains the same? (3)
  - d) Describe the features of common stock. (4)



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FINAL EXAMINATION: 2019  
BACHELOR OF BUSINESS STUDIES (BBS)  
SEMESTER – VII

Subject: Managerial Personality Development  
Full Marks: 100

Course Code: MGMT 471  
Time: 3:00 Hours

*You are required to answer in your own words as far as applicable. Figures in the margins indicate full marks.*

**SECTION A: VERY SHORT ANSWER QUESTIONS (10 X 2 = 20 MARKS)**

Answer **ALL** questions.

- Q1. What is meant by leadership?
- Q2. Define mentor.
- Q3. Write any four organizational resistances to change.
- Q4. What is a personality trait?
- Q5. State the meaning of group discussion.
- Q6. List any two features of charismatic leadership.
- Q7. Define behavior modification.
- Q8. Differentiate between personality type A and B.
- Q9. Write the meaning of empowerment.
- Q10. Mention your understanding of leadership practices in Nepal.

**SECTION B: SHORT ANSWER QUESTIONS (6 X 8 = 48 MARKS)**

Answer any **SIX** questions.

- Q11. Discuss the determinants of personality. [8]
- Q12. Explain the contemporary issues in leadership. [8]
- Q13. Define mentorship. Explain the benefits of mentorship. [3+5]
- Q14. What do you mean by change? Explain the forces of changes. [3+5]
- Q15. Discuss the techniques of group discussion. [8]
- Q16. Describe the significances of learning. [8]
- Q17. How do you apply personality traits at your work place? Discuss its characteristics. [4+4]
- Q18. Explain the major mentoring techniques. [8]

**SECTION C: LONG ANSWER QUESTIONS (2 X 16 = 32 MARKS)**

Answer any **TWO** questions.

- Q19. Explain the types of resistance to change. Mention the ways of overcoming resistance to change. [8+8]
- Q20. Discuss the functions of leadership. State various leadership traits and skills. [10+6]
- Q21. Write the meaning of learning. Explain the components and process of learning. [6+10]

MID-WESTERN UNIVERSITY  
EXAMINATIONS MANAGEMENT OFFICE  
FINAL EXAMINATION: 2019  
BACHELOR OF BUSINESS STUDIES (BBS)  
SEMESTER – VII

Subject: International Business Environment  
Full Marks: 100

Course Code: MGMT 472  
Time: 3:00 Hours

*You are required to answer in your own words as far as applicable. Figures in the margins indicate full marks.*

**SECTION A: VERY SHORT ANSWER QUESTIONS (10 X 2 = 20 MARKS)**

*Answer ALL questions.*

- Q1. Write any two wrong factors of globalization.
- Q2. "Company engages in international business for minimizing risks." Comment.
- Q3. Give any two rationales of study of theory of international business.
- Q4. Point out any two assumptions of theory of comparative advantages.
- Q5. What is pure market economy system?
- Q6. Mention any two differences between democracy VS totalitarianism.
- Q7. State any two long term measures for reducing political risk.
- Q8. List out any four member countries of European Union.
- Q9. What is penetrated market?
- Q10. Point out any two objectives of NAFTA.

**SECTION B: SHORT ANSWER QUESTIONS (6 X 8 = 48 MARKS)**

*Answer any SIX questions.*

- Q11. Explain the factors leading to growth in international business and forces driving to globalization. (4+4)
- Q12. Explain the Factors Proportion Theory of international business. (8)
- Q13. Write the concept of mixed economy system. Explain its features and advantages. (2+3+3)
- Q14. What is political risk? Explain the causes of political risks. (2+6)
- Q15. Elaborate the legal issues in international business. (8)
- Q16. Write an introduction to International Monetary Fund including its objectives and organizations structures. (4+ 4)
- Q17. What is international market strategy? How to manage market information system? Explain. (3+5)
- Q18. What is demand estimation? Explain the methods of market demand estimation. (3+5)

**SECTION C: LONG ANSWER QUESTIONS (2 X 16 = 32 MARKS)**

*Answer any TWO questions.*

- Q19. What is international business & globalization? Explain its importance. And also express the evolution stages of international business. (4+6+6)
- Q20. Write the concept of Economic Nationalism Theory of international business considering its supportive factors and critical review. (4+6+6)
- Q21. Give the introduction of WTO. Explain the functions and needs of WTO. Submit your arguments in relation to the benefits and challenges for Nepal as a member of WTO. (2+7+7)

MID-WESTERN UNIVERSITY  
EXAMINATIONS MANAGEMENT OFFICE  
FINAL EXAMINATION: 2019  
BACHELOR OF BUSINESS STUDIES (BBS)  
SEMESTER – VII

Subject: Service Marketing

Course Code: MKT 375

Full Marks: 100

Time: 3:00 Hours

*You are required to answer in your own words as far as applicable. Figures in the margins indicate full marks.*

**SECTION A: VERY SHORT ANSWER QUESTIONS (10 X 2 = 20 MARKS)**

Answer **ALL** questions.

- Q1. What is Service?
- Q2. Write three characters of services.
- Q3. Who is consumer?
- Q4. Define the term of expectation.
- Q5. What do you know about service guilty gap?
- Q6. Write four Ps of service marketing.
- Q7. What is the meaning of differentiated marketing?
- Q8. Clarify the meaning of market segmentation.
- Q9. What is relationship marketing?
- Q10. What do you understand about traditional marketing?

**SECTION B: SHORT ANSWER QUESTIONS (6 X 8 = 48 MARKS)**

Answer any **SIX** questions.

- Q11. Describe the importance of service marketing. (8)
- Q12. Define service perception. Explain the consumer purchase decision process. (2+6)
- Q13. Highlight the different types of service expectations. (8)
- Q14. Explain the different criteria for market segmentation. (8)
- Q15. What is service marketing communication? Explain the reasons for service communication problems. (2+6)
- Q16. Discuss the differences between undifferentiated and differentiated marketing. (4+4)
- Q17. Define the concept of relationship marketing and explain the goals of relationship marketing. (2+6)
- Q18. Introduce the term pricing and explain the different pricing strategies applicable in service business. (2+6)

**SECTION C: LONG ANSWER QUESTIONS (2 X 16 = 32 MARKS)**

Answer any **TWO** questions.

- Q19. Define the term service marketing. Explain the major 8 Ps of service marketing. (4+12)
- Q20. What is consumer behavior? Describe the major factors influencing consumer behavior. (4+12)
- Q21. Distinguish between traditional marketing and relationship marketing. Include suitable examples to support your answer. (8+8)



MID-WESTERN UNIVERSITY  
EXAMINATIONS MANAGEMENT OFFICE  
FINAL EXAMINATION: 2019  
BACHELOR OF BUSINESS STUDIES (BBS)  
SEMESTER – VII

Subject: Sales Management  
Full Marks: 100

Course Code: MKT 376  
Time: 3:00 Hours

*You are required to answer in your own words as far as applicable. Figures in the margins indicate full marks.*

**SECTION A: VERY SHORT ANSWER QUESTIONS (10 X 2 = 20 MARKS)**

Answer **ALL** questions.

- Q1. "Two way communications is preferable to one way communication." Justify.
- Q2. What is selling concept of marketing?
- Q3. List out any two ways of selecting sales force.
- Q4. Write the meaning of sales quota.
- Q5. Why do we need to control sales force?
- Q6. Point out any two characteristics of sales territories.
- Q7. Mention the four sources of collecting buyer information.
- Q8. Define post purchase decision.
- Q9. What is sales promotion?
- Q10. List out any two differences between industrial buyer and consumer buyer.

**SECTION B: SHORT ANSWER QUESTIONS (6 X 8 = 48 MARKS)**

Answer any **SIX** questions.

- Q11. Describe the roles of sales management. (8)
- Q12. What is sales organization? Explain the types of sales organization. (2+6)
- Q13. What is sales management? Describe objectives of sales management. (3+5)
- Q14. Selling is an art and a profession. Give your opinion with the help of suitable examples. (8)
- Q15. Define sales territory. Explain the significance of sales territory. (2+6)
- Q16. Give the meaning and types of sales quotas. (2+6)
- Q17. Explain the process of handling customer complaints. (8)
- Q18. Write short notes on (any two): (4+4)
- a. Handling of customer objections
  - b. Compensation of sales force
  - c. Motivation of employees

**SECTION C: LONG ANSWER QUESTIONS (2 X 16 = 32 MARKS)**

Answer any **TWO** questions.

- Q19. Define personal selling. Discuss the significance and disadvantages of personal selling. (4+6+6)
- Q20. What is sales promotion? Explain the objectives and types of sales promotion. (4+6+6)
- Q21. "Selection is the process of rejecting unfits or misfits." Do you agree? Describe the selection process of sales force in an organization. (4+12)