

Mid-West University
Examinations Management Office
Surkhet, Nepal
Final Examination-2079
Master of Business Studies (MBS)
Semester - IV

Subject: Advance Auditing

Course Code: ACC 546

Full Marks: 60 Pass Marks: 30

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: CRITICAL THINKING QUESTIONS (10 X 1 = 10 MARKS)

Answer **ALL** the questions:

1. List out the fundamental accounting assumption.
2. What is test check?
3. Define audit sampling.
4. Write down any two codes of conduct regarding a professional auditor.
5. Mention the main duties of an auditor regarding audit work.
6. Write any two conditions regarding reappointment of an auditor according to laws.
7. List out the different types of audit reports.
8. What do you mean by audit program?
9. What is audit plan?
10. Write any four methods of obtaining audit evidences while conducting audit.

SECTION B: SHORT ANSWER QUESTIONS (3 X 8 = 24 MARKS)

Answer any **THREE** questions:

11. Explain the main rights of an auditor regarding audit work. [8]
12. Define an audit engagement letter. Mention the contents essential for writing an audit engagement letter. [2+6]
13. Describe the special consideration in an audit of company. [8]
14. Give a short introduction to the following items:(Any two) [4+4]
 - a. Electronic Data Processing (EDP) Audit.
 - b. Environment Audit.
 - c. Performance Audit
15. How would you vouch the following items? [2+2+2+2]
 - a. Sales
 - b. Interest received
 - c. Cash received from accounts receivable
 - d. Commission received

SECTION C: LONG ANSWER QUESTIONS (2 X 13 = 26 MARKS)

Answer any **TWO** questions:

16. What do you understand by criminal liabilities of an auditor? On what ground s/he may be held liable for criminal offences? [4+9]
17. What activities should be done while auditing a co-operative organization? [13]
18. The board of director of every public company prepares a separate report of board of directors. What information are included in that report? [13]

THE END

Mid-West University
Examinations Management Office
 Surkhet, Nepal
 Chance Examination-2079
 Master of Business Studies (MBS)
 Semester - IV

Subject: Accounting theory and Practice

Course Code: ACC 547

Full Marks: 60 Pass Marks: 30

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: CRITICAL THINKING QUESTIONS (10 X 1 = 10 MARKS)

Answer **ALL** the questions:

1. What is materiality concept? Briefly explain.
2. Enlist any four objectives of GAAP.
3. What are the two basic considerations for the faithful presentation of a financial statement?
4. How do we recognize the income in the income statement as per the Accounting Standard Board of Nepal?
5. List out any four qualitative characteristics of the Financial Statement.
6. List out any four contents included on annual report.
7. Define monetary assets and monetary liabilities.
8. Mention the any four advantages of current Purchasing Power Method.
9. Define the meaning of Corporate Social Performance Accounting.
10. Give any four consideration factors in internet financial reporting.

SECTION B: SHORT ANSWER QUESTIONS (3 X 8 = 24 MARKS)

Answer any **THREE** questions:

11. "True and fair presentation is the main purpose and status of Nepal Financial Reporting Standard". Explain with reference to the conceptual framework of the financial reporting standard. [8]
12. Give the meaning of auditor's report. Sketch the items included on the auditor's responsibility of a company. [2+6]
13. Clarify the concept of the responsibility accounting. Explain its features and process of responsibility accounting setting. [2+3+3]
14. Surkhet Furniture Center presents the following income statement for the year 2014

Particulars	Amount	
	Detail	Total
Sales		15,00,000
Less; - discount		<u>15,000</u>
Net sales		14,85,000
Less: - Cost of Goods Sold:		
Opening Stock	25,000	
Purchase	5,00,000	
Productive labor	25,000	
Factory overheads	50,000	
Carriage inwards	50,000	
Motive power	25,000	
Closing Stock	<u>(100,000)</u>	<u>(575,000)</u>
Gross margin		910,000

Less: - Operating expenses:		
Manpower payment	25,000	
Rent tax	45,000	
Repair and depreciation	4,000	
Selling and distribution expenses	<u>6,000</u>	<u>(80,000)</u>
Net profit before tax		830,000
Less: - 50 % income tax		<u>(415,000)</u>
Net Profit after tax		415,000

Required: - Value added statement with applies

[4+4]

15. The income statement of a Company was as follows:

Particulars	Amount	
	Detail Rs.	Total Rs.
Sales Revenue		5,00,000
Less: - Cost of goods Sold		
Beginning inventory	60,000	
Purchase	300,000	
Ending Inventory	<u>(70,000)</u>	<u>(290,000)</u>
Gross Profit		210,000
Less: -Operating expenses (excluding depreciation)	60,000	
Depreciation	15,000	
Interest charge	<u>15,000</u>	<u>(90,000)</u>
Net Profit before tax		120,000
Less: -Income Tax	40,000	
Dividend	<u>20,000</u>	<u>(60,000)</u>
Retained earning		<u>60,000</u>

Additional information

Interest and tax expenses incurred during the year. The dividend paid at the end of the year.

General price indexes were: -

Beginning retail price index 100

Ending retail price index 170

Average retail price index – 140

At the time of asset purchase 80

FIFO method for inventory valuation was used by the company.

Required: -Monetary gain or loss and CPP income statement.

[4+4]

SECTION C: LONG ANSWER QUESTIONS (2 X 13 = 26 MARKS)

Answer any **TWO** questions:

16. Describe the recognition of assets, liabilities, income and expenses as per Accounting Standard Board of Nepal. Express the meaning of capital maintenance and explain the determination of profit as per concept of capital maintenance. [7+ 2+4]

17. Butwal Power Company Submitted the following balance sheet and income statement for the recently audited years

Liabilities	2077	2078	Assets	2077	2078
Paid up capital	200,000	200,000	Premises	5,00,000	5,00,000
P/L account	60,000	80,000	Acc. Dep. 10%	(150,000)	(200,000)
10% debenture	220,000	200,000	Inventory	80,000	120,000
Sundry creditors	100,000	120,000	Sundry debtors	110,000	144,000
			Cash	40,000	36,000
Total	580,000	6,00,000	Total	580,000	6,00,000

Historical Based Income statement for the year ended 2078

Particulars	Amount	
	Detail Rs.	Total Rs.
Sales Revenue		1020,000
Less: - Cost of goods Sales		
Opening stock	80,000	
Purchase	640,000	
Closing Stock	<u>(120,000)</u>	<u>(6,00,000)</u>
Gross Margin		420,000
Less: - Cash Operating expenses	240,000	
Interest on loan	30,000	
Depreciation on fixed asset	<u>50,000</u>	<u>(320,000)</u>
Net income		100,000
Less: -Income Tax		(50,000)
Dividend on financing		<u>(30,000)</u>
Transfer to P/L a/c		20,000

Additional information

- The price in respect of properties went up to 150 at the end of year 2078 which was 120 at the end of year 2077 and 100 at that time the properties were acquired.
- The cost of merchandise increases by 30% during 2078 and 20% in 2077
- The replacement cost of inventory was;

2077 Rs.87, 500

2078 Rs.13, 500

Required:

- Current cost accounting reserve. [7]
- Current cost income statement. [3]
- Current cost balance sheet. [3]

18. You are given following trial balance of a public company for the year ended 2078

Particulars	Dr. Rs.	Cr. Rs
Beginning inventory	25,000	
Purchase	320,000	
Sales return	12,000	
Wages	188,000	
Direct expenses	33,000	
Office expenses	15,000	
Goodwill	20,000	

Selling expenses	12,000	
Bad debt expenses	3,000	
Land	1,00,000	
Plant and machinery	2,00,000	
Sundry debtor	50,000	
Interest expenses	30,000	
Cash and bank	20,000	
Provision for doubtful debt		4,000
Capital		370,000
15% loan		2,00,000
Sundry creditors		30,000
Sales		4,12,000
Purchase return		12,000
Total	1028,000	10,28,000

Additional information:

- Appreciate land by 10%
- Further bad debts written off Rs. 3,000
- Reserve for doubtful debts is to be maintain at 5%
- Reserve for discount on sundry creditors is maintained at 5%
- Goodwill to be written of @ 10% per annum

Required: -

- a. Income statement as per company act 2063. [4]
- b. Profit and loss Appropriation statement as per company act 2063 [2]
- c. Balance sheet as per company act 2063 [3]
- d. Cash flow statement as per company act 2063 [4]

THE END

Mid-West University
Examinations Management Office
Surkhet, Nepal
Chance Examination-2079
Master of Business Studies (MBS)
Semester - IV

Subject: Derivatives and Risk Management

Course Code: FIN 547

Full Marks: 60 Pass Marks: 30

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: CRITICAL THINKING QUESTIONS (10 X 1 = 10 MARKS)

Answer **ALL** the questions:

1. Define underlying assets.
2. What are the criticisms of derivatives?
3. What is the put-call parity relationship?
4. What do you mean by ATM option?
5. Set the possible strike price of the following Stocks if strike prices are set in Rs 20 increment for stock selling for less than Rs 1,000, Rs 30 increment for stock selling for in between Rs 1,000 and Rs 2,000 and Rs 40 increment for stock selling for more than Rs 2,000.
 - a. Stock selling for Rs 500.
 - b. Stock selling for Rs 2,500.
6. Given the following expiration cycles, prepare the expiration cycle of options written in January, and February for January expiration cycle:
 - a. January, April, July and October
 - b. February, May, August and November
 - c. March, June, September and December
7. Write the meaning of normal contango.
8. What are index options?
9. What is credit risk?
10. What are the benefits of implementing a risk management program in an organization?

SECTION B: SHORT ANSWER QUESTIONS (3 X 8 = 24 MARKS)

Answer any **THREE** questions:

11. What do you mean by derivatives? Explain the role of derivative market. [2+6]
12. Describe the key features of forward and futures contracts. Compare and contrast the two instruments in terms of their liquidity, standardization, and counterparty risk. [8]
13. Suppose, you have a call option to buy 100 shares of Nabil Bank Ltd. (NABIL) at Rs 2,750 before or on October 30. You paid Rs 10 per share to option writer. Currently, shares of NABIL are selling at Rs 2,800 a share.
 - a. What is the intrinsic or fundamental value of your options on the shares of NABIL? [2]
 - b. What will be the value of your option if the market price of the shares drops to Rs 2,740? [2]
 - c. What will be your maximum loss on your investment? [1]
 - d. When you will be in no loss and no gain position? [1]
 - e. Should you exercise your option when you are in no loss and no gain position? Why? [2]
14. The price of Shree common stock had been hovering around Rs 150 per share for a long time and Mr. Sharma considered purchasing July call and selling July put with a Rs. 160 exercise price for a

premium of Rs. 3 per share in case of July call and a premium of Rs. 2 in case of the July put. (Note 1 call or put is equal to 100 shares)

- a. What is the name of the position Mr. Sharma is considering?
 - b. What would be the total cost of Mr. Sharma aggregate position?
 - c. Construct a table showing Mr. Sharma gains and losses from his put and call options at Rs.10 stock price intervals for Shree common stock prices from Rs.140 to Rs.180 inclusive.
 - d. At what stock prices would Mr. Sharma break even on his combination of options? [1+2+4+1]
15. What is swap? Explain the different types of swaps. [2+6]

SECTION C: LONG ANSWER QUESTIONS (2 X 13 = 26 MARKS)

Answer any TWO questions:

16. Explain the key characteristics of call options and put options, and discuss the ways in which they can be used by investors to manage risk and speculate in financial markets. [13]
17. Hopkins Pharmaceuticals stock is currently priced at Rs. 400 per share. Six month from now its price will be either Rs. 440 or Rs. 360. If the price rises to Rs. 440, then six months later the price will be either Rs. 480 or Rs. 380. If however, the price initially falls to Rs. 360, then six months later the price will be either Rs. 440 or Rs. 340. The risk free rate is 6% over each six-months period. Using the binomial option pricing model, what is the fair value of a one year call option on Hopkins stock expiration and a Rs. 400 exercise price? [13]
18. The SKT Company plans to invest in the newly issued call option of AAT company's stock which is currently selling for Rs 58.875. The call option has an exercise price of Rs. 60 and a time to expiration of three months. The instantaneous variance of stock price is 0.22, and the risk free rate is 10 percent. What is the value of the call option? [13]

THE END

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Master of Business Studies (MBS)
Semester - IV

Subject: Training and Human Resource Development

Course Code: HRM 545

Full Marks: 60 Pass Marks: 30

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: CRITICAL THINKING QUESTIONS (10 X 1 = 10 MARKS)

Answer **ALL** the questions:

1. Define the term training.
2. Point out the four features of human resource development.
3. "Designing training program is blueprint of training program". Explain in short.
4. List out any four requisites of effective training.
5. "Socialization is a training'. Justify.
6. What do you mean by orientation?
7. Enlist the four areas of coaching method of training.
8. Give the meaning of counseling.
9. List out any four problems in training evaluation.
10. What is DMADV process?

SECTION B: SHORT ANSWER QUESTIONS (3 X 8 = 24 MARKS)

Answer any **THREE** questions:

11. Clarify the meaning of Human Resource Development (HRD). Explain the needs of HRD in Nepalese organizations. [2+6]
12. Give the concept of training curriculum. Briefly explain its elements. [2+6]
13. "Training aids is an assistance of trainer but it's effectiveness depends upon his/her application skill."
Explain this statement based on advantages and disadvantages of training aids. [4+4]
14. Evaluate the training issues resulting from the external environment and internal needs of the company. [4+4]
15. Define electronics enabled training system. Explain its advantages & disadvantages. [2+6]

SECTION C: LONG ANSWER QUESTIONS (2 X 13 = 26 MARKS)

Answer any **TWO** questions:

16. "Development function is one of the most important functions of HRM out of acquisition, development, utilization and maintenance function". Highlighting this statement explain the function of HRM. [4+4+5]
17. Define training needs assessment. Express the purpose of training need assessment & methods used in training need assessment. [3+5+5]
18. What do you mean by evaluation? Discuss the problems of evaluation. Show the evaluation framework. [6+7]

THE END

Mid-West University
Examinations Management Office
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Master of Business Studies (MBS)
Semester - IV

Subject: Compensation and Performance Management

Course Code: HRM 546

Full Marks: 60 Pass Marks: 30

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: CRITICAL THINKING QUESTIONS (10 X 1 = 10 MARKS)

Answer **ALL** the questions:

1. What are non-monetary rewards?
2. Define supplementary compensation.
3. Give the meaning of cafeteria style compensation.
4. State the meaning of knowledge based compensation
5. Enlist any four components of compensation package.
6. List out the goals of compensation system.
7. What do you mean by labor force?
8. State the meaning of fringe benefits in shorts.
9. Write the meaning of competency based compensation.
10. What does 360-degree appraisal mean?

SECTION B: SHORT ANSWER QUESTIONS (3 X 8 = 24 MARKS)

Answer any **THREE** questions:

11. Give the meaning of intrinsic rewards. Explain the various components of intrinsic rewards. [2+6]
12. Mention the importance of performance management in an organization. [8]
13. Explain the wages theory of compensation. [8]
14. What are incentive plans? Describe the types of incentive plans. [2+6]
15. What types of discrimination are in the labor market in Nepal? Explain. [8]

SECTION C: LONG ANSWER QUESTIONS (2 X 13 = 26 MARKS)

Answer any **TWO** questions:

16. What is compensation? Explain the compensation strategies and also discuss about the goals of compensation. [3+5+5]
17. State the meaning of performance management. Explain the features and steps of performance management. [3+5+5]
18. Define job analysis. Describe the methods and the various steps of job analysis. [3+5+5]

THE END

Mid-West University
Examinations Management Office
Surkhet, Nepal
Chance Examination-2079
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Semester - IV

Subject: Project Management

Course Code: MGMT 541

Full Marks: 60 Pass Marks: 30

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: CRITICAL THINKING QUESTIONS (10 X 1 = 10 MARKS)

Answer **ALL** the questions:

1. What is project planning?
2. Define project monitoring.
3. Enlist the different characteristics of project team.
4. List any four major skills required for a project manager.
5. What do you mean indigenous project?
6. Write the meaning of Part of functional organization.
7. What is team communication?
8. Define product management.
9. List any four drawbacks of pure project organizations.
10. Write any four techniques of time management.

SECTION B: SHORT ANSWER QUESTIONS (3 X 8 = 24 MARKS)

Answer any **THREE** questions:

11. What are the major importance of project management? [8]
12. Define matrix organization. Discuss the advantage and limitations of it in relations to project management. [2+6]
13. What do you understand by project proposal? Describe the major contents of project proposal. [8]
14. What is project management information system? Explain the steps of PMIS with suitable figure.
15. Define project audit. Discuss project audit life cycle. [2+6]

SECTION C: LONG ANSWER QUESTIONS (2 X 13 = 26 MARKS)

Answer any **TWO** questions:

16. Define project monitoring. Explain project monitoring and evaluation approaches of the World Bank and ADB. [3+10]
17. What is project management? Discuss the stages of project life cycle. [3+10]
18. Review current situation of project management in Nepal. Explain the practical difficulties of project implementation in Nepal. [3+10]

THE END

Mid-West University
Examinations Management Office
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Chance Examination-2079
Master of Business Studies (MBS)
Semester - IV

Subject: Consumer Behavior

Course Code: MKT 546

Full Marks: 60 Pass Marks: 30

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: CRITICAL THINKING QUESTIONS (10 X 1 = 10 MARKS)

Answer **ALL** the questions:

1. What do you mean by customer satisfaction?
2. Define market segmentation.
3. Write the concept of motivation.
4. Give the meaning for consumer perception.
5. What do you understand by perceptual selection?
6. Define social class.
7. What do you mean by consumer dissonance?
8. What does store image mean?
9. Write the concept of sub-culture.
10. What do you mean by organizational buying?

SECTION B: SHORT ANSWER QUESTIONS (3 X 8 = 24 MARKS)

Answer any **THREE** questions:

11. Why is it necessary to retain consumer? Illustrate some of the ways to retaining consumer. [3+5]
12. Discuss the importance of motivation in marketing .What are the steps involves in motivation? Explain. [3+5]
13. Write about the significance of consumer learning. Describe any two theories of learning. [4+4]
14. Define post purchase evaluation. Describe the determinants of post purchase evaluation. [2+6]
15. Describe the factors influencing organizational buying process and decisions. [8]

SECTION C: LONG ANSWER QUESTIONS (2 X 13 = 26 MARKS)

Answer any **TWO** questions:

16. What do you mean by personality? Explain the theory of personality in terms of marketing. [3+10]
17. Define reference group. What are the types of reference groups? Explain with example. [3+8+2]
18. Write the meaning and concept of consumer decision making. What is the process of consumer decision making? Explain. [3+10]

THE END

Mid-West University
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Chance Examination-2079
Master of Business Studies (MBS)
Semester - IV

Subject: Service Marketing

Course Code: MKT 547

Full Marks: 60 Pass Marks: 30

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: CRITICAL THINKING QUESTIONS (10 X 1 = 10 MARKS)

Answer **ALL** the questions:

1. What do you mean by service product?
2. What is service Encounter?
3. Define differential pricing.
4. List out the dimensions of measuring the quality of service.
5. Define customer satisfaction.
6. What is Zone of tolerance?
7. What do you mean by Tangible cues in service marketing?
8. Define capacity constraints.
9. What does service quality means?
10. What do you mean by exploratory research in service marketing?

SECTION B: SHORT ANSWER QUESTIONS (3 X 8 = 24 MARKS)

Answer any **THREE** questions:

11. Define franchising. Illustrate some of the disadvantages of franchising. [8]
12. Why is it felt the need of coordination in marketing communication? Explain. [8]
13. Explain four tiers system of consumer profitability segmentation. [8]
14. Discuss the marketing challenges in service business. [8]
15. How important is it to understand consumer behavior in the marketing of service? Explain. [8]

SECTION C: LONG ANSWER QUESTIONS (2 X 13 = 26 MARKS)

Answer any **TWO** questions:

16. Define relationship marketing with its values in service marketing. [13]
17. Explain the components of service marketing communication Mix with example. [13]
18. Write and explain the factors influencing customer expectation of service. [13]

THE END