

# MID-WESTERN UNIVERSITY

EXAMINATIONS MANAGEMENT OFFICE  
FINAL EXAMINATIONS: 2019  
MASTER OF BUSINESS STUDIES  
SEMESTER-III

**Subject: Entrepreneurship Development**      **Course Code: MGMT 531**  
FM: 60      Time: 3 Hours

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

### **Group A: Very Short Answer Questions (10 X 1=10 Marks)**

Answer **ALL** questions.

- Q1. Define the term of entrepreneur.
- Q2. What do you know about E-com?
- Q3. Given two examples of emerging trends in entrepreneurship.
- Q4. What is the integrative approach?
- Q5. Clarify the concept of creativity.
- Q6. What do you understand about intellectual property?
- Q7. Write the concept of business plan.
- Q8. What is copy right?
- Q9. Define the concept of Elam?
- Q10. Write three major problems of entrepreneurship in Nepal.

### **Group B: Short Answer Questions (3 X 8 = 24 Marks)**

Answer any **THREE** questions.

- Q11. Highlight the emerging trends in entrepreneurship. (8)
- Q12. What is internet? Explain the main reasons for entrepreneurial failure. (3+5)
- Q13. Define the term of new idea. Explain the major techniques for creative problem solving. (3+5)
- Q14. What do you know about new business plan? Describe the scope of business plan. (3+5)
- Q15. Describe the importance and need of institutional support for entrepreneurship Nepal. (8)

**Group C: Long Answer Questions (2 x 13 = 26 Marks)**

**Answer any TWO Questions.**

- Q16. Write an introduction of female entrepreneurship. Explain the major challenges faced by female entrepreneurship in the context of Nepal. (3+10)
- Q17. Mention a brief account of entrepreneurship with its meaning and nature. Describe the macro thought of entrepreneurship. (4+9)
- Q18. Compare and contrast between entrepreneurs and small business owners. (6.5+6.5)



MID-WESTERN UNIVERSITY  
EXAMINATIONS MANAGEMENT OFFICE  
FINAL EXAMINATION; 2019  
MASTER OF BUSINESS STUDIES (MBS)  
SEMESTER-III

Subject: Operation Management

Course Code: MGMT 532

Full Marks: 60

Time: 3 Hours

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

**Group A: Very Short Answer Questions (10 X 1=10 Marks)**

Answer **ALL** questions.

- Q1. State the functions of operations management.
- Q2. Write the meaning of intermittent operations system with an example.
- Q3. What do you mean by concurrent engineering?
- Q4. What is the purpose of QFD in product development system?
- Q5. Describe the process layout with example.
- Q6. Shree Bakery has a plant for processing carrot cake. Last week the bakery produced only 6000 pounds of cake due to material delay, employee absence and other problems though it has effective weekly capacity of 7500 pounds of cake, what is efficiency?
- Q7. What are the considerations of aggregate production planning?
- Q8. Write the central idea of "Theory of Constraints".
- Q9. Describe the meaning of periodic review system in inventory management.
- Q10. What is ISO? Describe ISO 9001: 2000 series of standards.

**Group B: Short Answer Questions (3 X 8 = 24 Marks)**

Answer any **THREE** questions.

- Q11. What do you mean operations management? How a company can achieve competitive advantages through operations? Explain. [4+4]
- Q12. What is capacity? Discuss the process of capacity planning. [3+5]
- Q13. The following information is provided to you for each of four elements performed in building the Aviator model, a basic universal remote control.

Elements	Observations (Hour)					Performance rating
	1	2	3	4	5	
A	4.67	6.52	5.0	3.23	4	120%
B	10.02	8.0	6.70	9.9	8.2	90%
C	5	5	6	6	7	100%
D	11.2	9.0	10.88	11.0	13.0	110%

- a. Calculate the normal time for each element. [3]
  - b. If the company uses a 15 percent allowance factor based on time worked, calculate the standard time for each element. [3]
  - c. Describe the importance of work measurement in operations management. [2]
- Q14. Joe Henery's machine shop uses 25,000 brackets during the course of a year. These brackets are purchased from a supplier 90 miles away. The holding cost per bracket per year is Rs 1.5 and set up cost per order is Rs 18.75. The time required to take order is 2 days after placing the order.

- a) Given this information, what would be the economic order quantity?[2]
- b) What is the total inventory cost? [2]
- c) What is the time between the orders? [2]
- d) What is the reorder point? [2]

Q15. Total Quality Management (TQM) has become a driving force in many organizations in the business world today. Evaluate the benefits for a firm of adopting a Total Quality Management approach to quality assurance. Also discuss the obstacles of Total Quality Management. [4+4]

**Group C: Long Answer Questions (2 x 13 = 26 Marks)**

**Answer any TWO Questions.**

- Q16. Identify five current trends in operations management and describe them. Operation strategy is means of operational excellence of the organization. In the line of this statement, discuss the strategy formulation process.[5+8]
- Q17. What do you mean by facility location? Discuss the various factors affecting facility location. Explain the consequences of poor location decisions for a business with example. [2+6+5]
- Q18. University Hospital has been concerned with the number of errors found in its billing statements to patients. An audit of 100 bills per week over the past 12 weeks revealed the following number of errors:

Week	Error
1	4
2	5
3	6
4	6
5	3
6	2
7	6
8	7
9	3
10	4
11	3
12	4

Use the data to obtain upper and lower control limits for number of defective items (np chart) in samples of 100 bills per week. Represent the twelve week samples result in the chart and state whether the process is in under control or not. [13]



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FINAL EXAMINATIONS: 2019  
MASTER OF BUSINESS STUDIES (MBS)  
SEMESTER-III

Subject: Corporate and Business Law

Course Code: MGMT 533

Full Marks: 60

Time: 3 Hours

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

**Group A: Very Short Answer Questions (10 X 1=10 Marks)**

Answer **ALL** questions.

- Q1. What is an Article of Association?
- Q2. Who is liquidator?
- Q3. Define the Cooperative.
- Q4. What is share?
- Q5. Define foreign company.
- Q6. What is Bonus?
- Q7. What are the two full regulatory powers of Nepal Rastra Bank to regulate Banking and Financial Institution?
- Q8. List out the methods for appointment of an Auditor in a company.
- Q9. Define 'Labor'.
- Q10. What are the functions of Especial General Meeting of a company?

**Group B: Short Answer Questions (3 X 8 = 24 Marks)**

Answer any **THREE** questions.

- Q11. What is the process of obtaining bonus in advance? Discuss. [8]
- Q12. Explain rights and duties of auditor under Company Act of Nepal. [8]
- Q13. What are the major objectives taken by Labor Act 2048 for welfare and job security of employees? [8]
- Q14. Write down the major objective of Nepal Rastra Bank Act 2058? Explain briefly. [8]
- Q15. What are the procedures relating to the incorporation banking or Financial Institutions in Nepal under BAFIA? [8]

**Group C: Long Answer Questions (2 x 13 = 26 Marks)**

**Answer any TWO Questions.**

- Q16. What are the procedures relating to the incorporation of a new company in Nepal under the Company Act, 2063 B.S. [13]
- Q17. Why does dissolution of a company mean a death of an artificial person? What are the modes of dissolution of a company in Nepal? Explain briefly. [13]
- Q18. How is a Board of Directors formed? Explain the functions and duties of a Chief Executive. [6.5+6.5]



MID-WESTERN UNIVERSITY  
EXAMINATIONS MANAGEMENT OFFICE  
FINAL EXAMINATIONS: 2019  
MASTER OF BUSINESS STUDIES (MBS)  
SEMESTER - III

Subject: Business Research Methods  
Full Marks: 60

Course Code: MGMT 534  
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** questions:

- Q1. What do we call the relationship between two variables which occurs when the outcome is a subset of the cause?
- Q2. What type of research is designed primarily to examine a new area of interest or to investigate an existing area of study in a new way?
- Q3. A researcher is interested in explaining how people find a job. After interviewing numerous people who were recently hired, the researcher argues that most people find employment through friends of friends. In other words, your two-step network connections impact your ability to get a job. In this study, a persons' ability to get a job is what types of variable?
- Q4. A research finding is that as people's education level increases, their income also increases. What type of relationship between education level and income is commonly found?
- Q5. Which type of error occurs when the researcher select the sample size?
- Q6. What is the purpose of doing research?
- Q7. What does quantitative research measures?
- Q8. If a researcher actively involved in consumers' discussion about an advertisement business what types of data collection method is he applied in his research?
- Q9. What does the term 'research' means?
- Q10. What is called the plan of the study of a research?

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

Answer any **THREE** questions:

- Q11. Research process consists of a series of steps or actions required for effectively conducting research. Explain.
- Q12. Enumerate the different methods of data collection.
- Q13. Calculate the factor and pick up the sample size of 20 students from the table given bellow.

1	11	21	31	41	51	61	71	81	91
2	12	22	32	42	52	62	72	82	92
3	13	23	33	43	53	63	73	83	93
4	14	24	34	44	54	64	74	84	94
5	15	25	35	45	55	65	75	85	95
6	16	26	36	46	56	66	76	86	96
7	17	27	37	47	57	67	77	87	97
8	18	28	38	48	58	68	78	88	98
9	19	29	39	49	59	69	79	89	99
10	20	30	40	50	60	70	80	90	100

- Q14. Develop two closed ended and two open ended questions with reference to following research title and objective.  
**Research Title:** Employee performance: impact of company goals aligning with personal values  
**Research Objective:** To examine the relationship between personal value of employee and their performance towards the achievement of company goal.
- Q15. Arrange the following texts as the list of bibliography using APA Style of referencing:

- a) Book title: Research Methods for Business: A Skill-building Approach  
Author: Roger Bougie  
Publisher: Wiley Publication  
Place of Publishing: New York  
Date of Publication: 1984
- b) Article title: Research Methodology in Management  
Author: Terri A. Scandura  
Source: Academy of Management Journal, Vol. 43, No. 6, pp. 1248-1264  
Publisher: Cambridge University Press  
Date of Publication: 2000  
Stable URL: [https://www.researchgate.net/publication/236271884\\_Research\\_Methodology](https://www.researchgate.net/publication/236271884_Research_Methodology)  
Accessed: 12/03/2019 12:50
- c) Book title: Management Research Methods  
Editors: B. Cooper, Phyllis Tharenou, and Ross Donohue  
Publisher: Palgrave Macmillan  
Place of Publishing: New York  
Date of Publication: 2007
- d) Chapter Title: People and Organisations  
Author: Nick Van Dam  
Source title: Organisation & Management An International Approach (Third Edition)  
Editors: Nick Van Dam and Jos Marcus  
Publisher: Noordhoff Uitgevers Groningen  
Place of Publishing: Netherland  
Date of Publication: 2012

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

Answer any **TWO** questions:

- Q16. What is a research report? Discuss the purpose and common elements of a report on which the presentation has to focus.
- Q17. What do you mean by the research design? Discuss about its basic elements, characteristic and importance.
- Q18. There are different types of sampling techniques/methods, how to choose a proper sampling technique/method for the particular research. Discuss.





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FINAL EXAMINATION: 2019  
MASTER OF BUSINESS STUDIES (MBS)  
SEMESTER-III

Subject: Financial Management

Course Code: MGMT 535

Full Marks: 60

Time: 3 Hours

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

**Group A: Very Short Answer Questions (10X1=10 Marks)**

- Q1. What are the functions of financial management?
- Q2. What do you mean by days sales outstanding?
- Q3. Mention any four limitations of ratio analysis.
- Q4. Why cost of internal equity becomes less than cost of external equity?
- Q5. Mention the process of capital budgeting.
- Q6. What do you mean by operating cycle?
- Q7. State the significance of cross over rate.
- Q8. Write the motives of holding cash.
- Q9. What are the factors affecting working capital?
- Q10. Mention the procedure of dividend payment.

**Group B: Short Answer Questions (3 X 8 = 24 Marks)**

**Answer any THREE questions.**

- Q11. What do you mean by financial management? Explain the importance of financial management. (3+5)
- Q12. Suraj Bakery Industry, has sales of Rs 6 million, and asset turnover ratio of 6 for the year, and net profits of Rs 120,000
  - a. What is the company's return on assets or earning power? (4)
  - b. The company will install new point-of-sales cash registers through its stores. This equipment is expected to increase efficiency in inventory control, reduce clerical errors and improve record keeping throughout the system. The new equipment will increase the investment in assets by 20% and is expected to increase the net profit margin from 2% now to 3%. No change in sales is expected. What is the effect of the new equipment on the return on assets ratio or earning power? (4)
- Q13. On January 1, 2019, the total assets of the Karnali Rafting Company were Rs 80 million. By the end of the year, total assets are expected to be Rs 120 million. (Assume there is no short-term debt.) The firm's capital structure, shown below, is considered to be optimal;

Debt (10% coupon bonds)	Rs 32,000,000
Preferred stock (at 10.5%)	8,000,000
Common equity	<u>40,000,000</u>
	<b><u>Rs 80,000,000</u></b>

New bond will have 12 percent coupon rate and will be sold at par. Preferred stock will have a 12.5 percent rate and will be sold at par. Common stock, currently selling at Rs 30 a share, can be sold to net the company Rs 27 a share. Stockholders' required rate of return, estimated to be 12 percent, consists of dividend yield of 4 percent and an expected growth of 8 percent. Retained earnings are estimated to be Rs 5 million (ignoring depreciation). The marginal corporate tax rate is 40 percent.

- To maintain the present capital structure, how much of the capital budget must be financed by equity? (2)
- Calculate the cost of each of the equity components. (2)
- At what level of capital expenditures will there be a break in the MCC schedule? (2)
- Calculate the MCC both below and above the break in the schedule. (2)

Q14. Berger Color Industry operates a mail-order firm doing business on the western Nepal. Berger Color Industry receives an average of Rs 325,000 in payments per day. On average, it takes 5 days from the time customers' mail check until Berger Color Industry receives and processes them. Berger Color Industry is considering the use of a lockbox system to reduce collection and processing float. The system will cost Rs 7,400 per month and will consist of 10 local depository banks and a concentration bank located in Surkhet. Under this system, customers' checks should be received at the lockbox location 1 day after they are mailed, and daily totals will be transferred to Surkhet using wire transfer consisting Rs 12.25 each. Assume that Berger Color Industry has an opportunity cost of 9 percent and that are  $52 \times 5 = 260$  working days, hence 260 transfers from each lockbox location, in a year.

- What is the total annual cost of operating the lockbox system? (3.5)
- What is the total benefit of the lockbox system to Berger Color Industry? (3.5)
- Should Berger Color Industry initiate the system? (1)

Q15. In 2015 the Surkhet Bakery Industry paid dividends totaling Rs 1456,000. For the past five years, earnings have grown at a constant rate

of 10 percent. After-tax income was Rs 3640,000 for 2015. However, in 2016, earnings were Rs 6840,000 with investment of Rs 4500,000. It is predicted that Surkhet Bakery Industry will not be able to maintain this higher level of earnings and will return to previous 10 percent growth rate. Calculate dividends for 2016 if the Surkhet Bakery Industry follows each of the following policies.

- a. Its dividend payment is stable and growing. (2)
- b. It continues that 2015 dividend payout ratio. (2)
- c. It uses a pure residual dividend policy (40 percent of the Rs 4500,000 investment was financed with debt) (2)
- d. The investment in 2016 is financed 80 percent with retained earnings and 10 percent with debt. Any earnings not invested are paid out as dividends. (2)

**Group C: Long Answer Questions (2 x 13 = 26 Marks)**

**Answer any TWO Questions.**

Q16. What do you mean by dividend policy? Explain the factors affecting dividend policy. In which situation a firm prefers stock repurchase instead of cash dividend. (4+6+3)

Q17. The Surkhet Agrovet Company purchased a machine 5 years ago at a cost of Rs 100,000. It has an expected life of 10 years at the time of purchase and an expected salvage value of Rs 10,000 at the end of 10 years. It is being depreciated by straight line method.

A new machine can be purchased for Rs 170,000 including installation cost. Over its 5-year life, it will reduce cash operating expenses by Rs 60,000 per year. Sales are not expected to change. At the end of its useful life, the machine is estimated to be worthless. MACRS depreciation will be used, and it will be depreciated after its 3-year class rather than its 5-year economic life. The old machine can be sold today for Rs 75,000. The firm's tax rate is 40 percent. The appropriate discount rate is 12 percent.

- a. If the new machine is purchased, what is the amount of the initial cash flow at year 0? (4)
- b. What incremental operating cash flows will occur at the end of year 1 through 5 as a result of replacing the old machine? (4)

- c. What incremental non-operating cash flow will occur at the end of year 5 (if the new machine is purchased)? (1)
- d. What is the NPV of this project? Should the firm replace the old machine? (4)

Q18. Nepal telecom, Inc. is considering changing its credit terms from 2/20 net 45, to 3/15 net 45, in order to speed collections. At present 30 percent of Nepal telecom's non-default customers take the 2 percent discount. Under the new terms, discount customers are expected to rise to 50 percent of the non-default customers. Regardless of the credit terms half of the customizers who do not take the discount are expected to pay on time, whereas the remainder will pay 10 days late. The change does not involve a relaxation of credit standards; therefore, bad debt losses are not expected to rise above their present 3 percent level. However, the more generous cash discount terms are expected increase to sales from Rs 3 million to Rs 3.5 million per year. Nepal telecom's variable cost ratio is 80 percent, the interest rate in funds invested in account receivable is 10 percent, and the firm's marginal tax rate is 30 percent.

- a. What are the days' sales outstanding before and after the change? (2)
- b. Calculate the discount costs before and after the change. (2)
- c. Calculate the rupee cost of carrying receivable before and after the change. (2)
- d. Calculate the bad debt losses before and after the change. (2)
- e. What is the incremental profit from the change in credit terms? Should Nepal telecom change its credit term? (5)



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FINAL EXAMINATION: 2019  
MASTER OF BUSINESS STUDIES (MBS)  
SEMESTER-III

Subject: Strategic Management

Course Code: MGMT 536

Full Marks: 60

Time: 3 Hours

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

**Group A: Very Short Answer Questions (10X1=10 Marks)**

Answer **ALL** questions.

- Q1. Mention the meaning of strategic management.
- Q2. Write any two importance of strategic management in the global world.
- Q3. Enlist the type of business level strategy.
- Q4. Give the meaning of benchmarking.
- Q5. Under what condition, organizations adopt the stability strategy?
- Q6. State the meaning of backward integration.
- Q7. Write the meaning of strategic option.
- Q8. Give the concept of available resources.
- Q9. Make a list of process of environmental scanning.
- Q10. Draw a diagram of simple organization structure.

**Group B: Short Answer Questions (3 X 8 = 24 Marks)**

Answer any **THREE** questions.

- Q11. What do you mean by strategic decision? What are the major characteristics of strategic decision? Explain. (2+6)
- Q12. "Study of business environment is one of the prime activities of modern manager." With reference to the given statement, explain the components of external environment. (8)
- Q13. What are the different strategic options under strategic clock oriented market based strategies? Explain (8)
- Q14. State the meaning of strategic control. Briefly describe the different types of strategic control. (2+6)

**Group C: Long Answer Questions (2 x 13 = 26 Marks)**

**Answer any TWO Questions.**

- Q15. Who is Chief Executive Officer (CEO)? Describe the role of CEO in strategy formulation, implementation and control. (1+12)
- Q16. Explain the industry analysis using Michael E. Porter's five forces model. (13)
- Q17. What are the major contributions of Boston Consulting Group (BCG) matrix in corporate strategic choice? Explain. (13)

