

MID-WESTERN UNIVERSITY
FACULTY OF MANAGEMENT
FINAL EXAMINATIONS: 2073
MASTER OF BUSINESS STUDIES (MBS)
SEMESTER - III

Subject: Entrepreneurship Development

Course Code: MGMT 531

Full Marks: 100

Time: 4:00 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 2 = 20 MARKS)

Answer all questions:

- Q1. Define entrepreneurship.
- Q2. What is e-commerce?
- Q3. Write any four problems of woman entrepreneurship.
- Q4. What is a new idea?
- Q5. What do you mean by intellectual wealth?
- Q6. Write the meaning of a new venture.
- Q7. What do you understand by trade secret?
- Q8. What is business plan?
- Q9. Write any four elements of business plan.
- Q10. What is internet based entrepreneurship?

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

Answer any SIX questions:

- Q11. What are the vital roles of entrepreneurship in economic development? Explain. (8)
- Q12. Describe the different approaches to entrepreneurship. (8)
- Q13. Discuss some important skills required for successful entrepreneurship. (8)
- Q14. Explain the legal provisions for establishment of a new venture. (8)
- Q15. Describe the different techniques for creative problem solving in your own language. (8)
- Q16. Explain the entrepreneurial process in entrepreneurship. (8)
- Q17. How do you evaluate the status of entrepreneur in Nepal? Discuss. (8)
- Q18. What is institutional support? Discuss why the institutional support is needed for the growth of entrepreneurship. (2+6)

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

Answer any TWO questions:

- Q19. What is intellectual property? Describe its properties. (4+12)
- Q20. Write the purpose of business plan. What are the important contents of the business plan? Discuss. (4+12)
- Q21. Define woman entrepreneurship. Discuss the challenges faced by woman entrepreneur in Nepal. (4+12)



MID-WESTERN UNIVERSITY
FACULTY OF MANAGEMENT
FINAL EXAMINATIONS: 2074
MASTER OF BUSINESS STUDIES (MBS)
SEMESTER - III

Subject: Operation Management

Course Code: MGMT 532

Full Marks: 100

Time: 4:00 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 2 = 20 MARKS)

Answer all questions:

- Q1. What do you mean by operation strategy?
- Q2. Write any two differences between intermittent and continuous production system.
- Q3. What is 'Quality Function Deployment'?
- Q4. List out the different types of mass customization.
- Q5. What do you mean by quasi manufacturing process technology?
- Q6. Write the different types of facility layout.
- Q7. Make a list of four consideration of aggregate production planning.
- Q8. Describe the A-B-C- approach to inventory control.
- Q9. State the process of capacity planning.
- Q10. What does ISO 9000 stand for?

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

Answer any SIX questions:

- Q11. "Many product designs may die technically or commercially in any stages of product development process". On the light of this statement, explain the product development process. (8)
- Q12. What do you mean by capacity planning? Discuss the needs for capacity planning. (3+5)
- Q13. What is material requirement planning? Critically examine the MRP system. (3+5)
- Q14. A time study was conducted on a job that contains four elements. The observed time and performance ratings for six cycles are given in the following table.

Element	Performance rating	Observation (Minutes per cycle)					
		1	2	3	4	5	6
1	90%	44	50	43	45	48	46
2	85%	150	154	147	151	149	152
3	110%	84	89	77	83	85	80
4	100%	110	114	108	120	116	126

- a. Determine the average cycle time for each element. (3)
- b. Find the normal time for each element. (3)
- c. Assuming an allowance factor of 15% of job time, compute the standard time for this job. (2)
- Q15. What do you mean by job design? Briefly explain any two methods of job design. (3+5)
- Q16. A lab orders a number of chemicals from the same supplier every 30 days. The lead time is 5 days. The assistant of the lab must determine how much the chemicals should be ordered. A check of stock revealed that 11 jars of each 25 ml are on hand. Daily usage of the chemical is approximately normal with a mean of 15.2 ml per day and a standard deviation of 1.6 ml per day. The desired service level for this chemical is 95%. (Z value = 1.65)
 - a) What is the average amount of safety stock of the chemical? (2)
 - b) How many bottles of the chemical should be ordered? (6)
- Q17. Define total quality management. What are the obstacles of total quality management? Explain. (3+5)
- Q18. Write short notes (On any Two): (4+4)
 - a) Operation system
 - b) Concurrent Engineering
 - c) Lean Management

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

Answer any TWO questions:

- Q19. "Operation management is a key for achieving competitive advantages for organization, whether they are in the manufacturing industry or in service industries". Explain. Also, discuss the emerging challenges of operation management. (4+12)
- Q20. "Facilities location has a significant impact on firm's operation as well as cost structure". In the light of this statement, describe the various factors affecting facility location with suitable examples. (16)
- Q21. A continuous process cuts plastic tubing into nominal lengths. Sample of each five observations has been taken, and the results are as listed.

No. of Sample	Length of the parts (Centimeters)				
1	792	788	800	784	810
2	805	787	810	804	801
3	796	796	804	805	808
4	789	794	797	794	806
5	805	796	804	808	788

Determine upper and lower control limits for mean and range charts, and decide if the process is in control. (8+8)

($A_2 = 0.577$, $D_4 = 2.114$ and $D_3 = 0$)



MID-WESTERN UNIVERSITY
FACULTY OF MANAGEMENT
FINAL EXAMINATIONS: 2074
MASTER OF BUSINESS STUDIES (MBS)
SEMESTER - III

Subject: Corporate and Business Law

Course Code: MGMT 533

Full Marks: 100

Time: 4:00 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 X2 = 20 MARKS)

Answer all questions:

- Q1. What is memorandum of association?
- Q2. What are the two basic similarities between private company and public company?
- Q3. Define cooperative.
- Q4. What is share?
- Q5. Define subsidiary company.
- Q6. What is bonus?
- Q7. What are the two full regulatory powers of Nepal Rastra Bank to regulate Bank and Financial Institution?
- Q8. List out the methods for appointment of an auditor in a company.
- Q9. Define 'insolvency'.
- Q10. Write down any two functions of general meeting of a company.

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

Answer any SIX questions:

- Q11. What are the major functions of 'Board of Directors' of a company? Explain briefly. (8)
- Q12. Define the private company, single shareholder company and foreign company according to Company Act 2063? (8)
- Q13. What are the special provisions on forming the 'Board of Director' according to BAFIA? (8)
- Q14. What does 'Article of Association' of a company consist of? (8)
- Q15. Distinguish between public company and private company. (8)
- Q16. Explain right and power of an auditor under 'Company Act, Nepal'. (8)
- Q17. What are the safety majors taken by 'Labor Act, 2048' for welfare and job security? (8)
- Q18. What are the major objectives of 'Nepal Rastra Bank Act, 2058'? Explain. (8)

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

Answer any TWO questions:

- Q19. Describe the procedures relating to the incorporation of new company in Nepal in detail under the 'Company Act, 2063'. (16)
- Q20. What are the different modes of dissolution of a company in Nepal? Explain. (16)
- Q21. What are the functions, duties and powers of board of director according to 'Nepal Rastra Bank Act, 2058'? (16)

MID-WESTERN UNIVERSITY
FACULTY OF MANAGEMENT
FINAL EXAMINATION: 2074
MASTER OF BUSINESS STUDIES (MBS)
SEMESTER - III

Subject: Business Research Methods
Full Marks: 100

Course Code: MGMT 534
Time: 4:00 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 2 = 20 MARKS)

Answer all questions:

- Q1. Write the meaning of business research.
- Q2. Define Exploratory Research Design.
- Q3. Write the meaning of dependent and independent variable with suitable example.
- Q4. Why sampling is important in research?
- Q5. Write the meaning of Data. Mention the forms of data.
- Q6. What are the ethics of collection of data?
- Q7. Write the meaning of coefficient of determination?
- Q8. What is Solicited Proposal?
- Q9. Mention any four styles of citation and referencing.
- Q10. Define inferential statistics.

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

Answer any SIX questions:

- Q11. What is research? Write the differences between pure research and applied research. (3+5)
- Q12. What are the problems encountered by a researcher in Nepal? Explain. (8)
- Q13. What is sampling? Explain the types of probability sampling. (4+4)
- Q14. Write the meaning of Likert scaling with suitable example. (8)
- Q15. What is research interview? Mention the advantage and disadvantages of research interview. (2+6)
- Q16. Define the term "reliability". Explain its types. (2+6)
- Q17. What is research report? Show the structure of research report. (3+5)
- Q18. Write short notes (On any two): (4+4)
 - a) Descriptive statistics
 - b) Regression analysis
 - c) Focus Group Discussion

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

Answer any TWO questions:

- Q19. "Research is an organized, systematic, data-based, critical, scientific enquiry or investigation into a specific problem, undertaken with the objective of finding answers or solution to it". Justify this statement explaining various steps involved in research process. (16)
- Q20. Processing of data consists editing, coding, classification and tabulation. Describe briefly these four operations mentioning their importance in research. (16)
- Q21. Suppose you are going to conduct a survey study on consumer behavior of cosmetic product. For the purpose of survey prepare a questionnaire containing 10 different varieties of questions. (16)



MID-WESTERN UNIVERSITY
FACULTY OF MANAGEMENT
FINAL EXAMINATION: 2074
MASTER OF BUSINESS STUDIES (MBS)
SEMESTER - III

Subject: Financial Management

Course Code: MGMT 535

Full Marks: 100

Time: 4:00 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 2 = 20 MARKS)

Answer all questions:

- Q1. Define financial management.
- Q2. Write the meaning 'Common Size Statement Analysis'.
- Q3. Mention any four limitations of ratio analysis.
- Q4. What do you mean by break point in marginal cost of capital?
- Q5. Define the term "capital rationing" used in the process of capital budgeting.
- Q6. Write the formula for calculating 'DSO'.
- Q7. State the major problems of internal rate of return.
- Q8. A company has inventory conversion period of 30 days, receivable turnover of 8 times and payable deferral period of 40 days. What is the length of cash conversion cycle of the company?
- Q9. Mention the factors affecting working capital.
- Q10. Write the procedures of dividend payment.

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

Answer any SIX questions:

- Q11. Shareholder wealth maximization goal is a better operating goal than profit maximization goal. Why? (8)
- Q12. The following is the information of Bulbule Fresh House Company (Millions of Rupees)

Cash and marketable securities	Rs. 100
Fixed assets	283.50
Sales	1,000
Net Income	50
Quick Ratio	2x
Current Ratio	3x
DSO	40 days
ROE	12%

Bulbule Fresh House has no preferred stock-only common equity, current liabilities, and long term debt.

Find Bulbule Fresh House's:

- | | | |
|-----------------------------|------------------------|-------------------|
| a) Account receivable (A/R) | b) Current liabilities | c) Current assets |
| d) Total assets | e) ROA | f) Common equity |
| g) Long term debt | | (8) |

- Q13. The current trading price of the stock of Manag Juce Company is Rs 560. It has just paid dividend Rs 30 per share. The Co. expects 12 percent growth in its dividend. Manag Juce Company's before-tax cost of debt is 13 percent, and tax rate is 35 percent. Using the following balance sheet, calculate Manag Juce Company's after-tax weighted average cost of capital. (3+1+4)

Assets	Amount	Capital and Liabilities	Amount
Cash	Rs. 800	Account payable	Rs. 100
Account receivable	200	Accrued taxes and due	200
Inventories	300	Long-term debt	1,200
Plant and equipment, net	2,000	Equity	1,800
Total assets	Rs. 3,300	Total Liabilities	Rs. 3,300

- Q14. Micromax Company is a leading producer of Computer Hard Disk of Western Nepal. Micromax turns out 1,250 Hard Disks a day at a cost of Rs. 830 per Hard Disk for materials and labor. It takes the firm 27 days to convert raw materials into a Hard Disk. Micromax allows its customers 42 days in which to pay for the Hard Disk, and the firm generally pays its suppliers in 33 days.
- How can Micromax Company reduce its working capital requirements? Explain. (2)
 - What is the length of Micromax Company cash conversion cycle? (2)
 - If Micromax Company always produces and sells 1,250 Hard Disk a day, what amount of working capital must it finance? (2)
 - By what amount could Micromax Company reduce its working Capital financing needs if it was able to stretch its payable deferral period to 39 days? (2)
- Q15. In 2015 the Surkhet Bakery Industry paid dividends totaling Rs 1,456,000. For the past five years, earnings have grown at a constant rate of 10 percent. After-tax income was Rs 3,640,000 for 2015. However, in 2016, earnings were Rs 6,840,000 with investment of Rs 4,500,000. 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.
- Its dividend payment is stable and growing. (2)
 - It continues that 2015 dividend payout ratio. (2)
 - It usages a pure residual dividend policy (40 percent of the Rs 4,500,000 investment was financed with debt) (2)
 - 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)
- Q16. The Choukune Cement Factory is evaluating the within-plant distribution system for its new packing plant. The two alternatives are (1) a conveyor system with a high initial cost but low annual operating costs and (2) several forklift trucks, which cost less but have considerably higher operating costs. The decision to construct the plant has already been made, and the choice here will have no effect on overall revenues of the project. The cost of capital for the plant is 11 percent. And the projects' expected net costs are listed below:

Year	Expected Net Cash Costs	
	Conveyor	Forklift
0	(Rs. 1800,000)	(Rs. 450,000)
1	(205,000)	(560,000)
2	(205,000)	(560,000)
3	(205,000)	(560,000)
4	(205,000)	(560,000)
5	(138,000)	(766,000)

- What is the IRR of each alternative? (1)
 - What is the present value of costs of each alternative? Which method should be chosen? (7)
- Q17. Surkhet Textile Industry has 16 retail clothing outlets scattered throughout the country. Each outlet sends an average of Rs 167,500 daily to the head office in Surkhet through checks drawn on local banks. On average, it takes four days before the company's Surkhet bank collects the checks. Surkhet Textile Industry is considering an electronic funds transfer arrangement that completely eliminate the float.
- What amount of funds will be released? (2.5)
 - What amount will be released on net basis if each local bank requires increases in compensating balance of Rs 20,000 to offset the loss of float? (2.5)

- c) Suppose that the company could earn 10 percent interest on the net released funds in part (b). If the cost per electronic transfer were Rs 20 and each store averaged 260 transfers per year, would the proposed arrangement be worthwhile? (3)

Q18. Write short notes (On any Two): (4+4)

- a) Motives of holding Cash b) Stock repurchase c) Modified Internal Rate of Return (MIRR)

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

Answer any TWO questions:

Q19. "Net present value (NPV) is superior to internal rate of return (IRR) in capital budgeting decision." Justify this statement with suitable example. (16)

Q20. Sayapatri Timber Company is contemplating the replacement of one of its lumber cutting machine with a newer and more efficient one. The old machine has a book value of Rs 660,000 and a remaining useful life of five years. The firm does not expect to realize any return from scrapping the old machine in five years, but it can sell the machine now to another firm in the industry for Rs 265,000. The old machine is being depreciated toward to zero salvage value or by Rs 132,000 per year, using the straight line method.

The new machine has purchase price of Rs 1,467,000, with an estimated useful life of five years, and an estimated salvage value of Rs 347,000. It is expected to economize on electric power usage, labour, and repair costs. In total and annual saving of Rs 287,000 will be realized if the new machine is installed. The company's marginal tax rate is 40 percent and it has 15 percent cost of capital. The depreciation values of new machine from year 1 through 5 would be calculated as 20 percent, 32 percent, 19 percent, 12 percent, and 11 percent on the cost of the assets.

- i) What is the initial cash outlay required for the new machine? (3)
- ii) Calculate the change in the annual depreciation expenses if the replacement is made. (3)
- iii) What are the operating cash flows in Year 1 through 5? (4)
- iv) What is the cash flow from the salvage value in Year 5? (2)
- v) Should the company purchase the new machine? (4)

Q21. On January 1, 20X0, the total assets of the Everest Company were Rs. 120 million. By the end of the year total assets are expected to be Rs. 200 million. The firm's capital structure, shown below, is considered to be optimal;

Debt (12% coupon bonds)	Rs. 36,000,000
Preferred stock (at 11.5%)	15,000,000
Common equity	69,000,000
	Rs. 120,000,000

New bond will have a 14 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. 450 a share, can be sold to net the company Rs. 425 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. 11 million (ignoring depreciation). The marginal corporate tax rate is 35 percent.

- a) Assuming all asset expansion (gross expenditures for fixed assets plus related working capital) is included in the capital budget, what is the amount of the capital budget? (1)
- b) To maintain the present capital structure, how much of the capital budget must be financed by equity? (3)
- c) How much of the new equity funds needed must be generated internally and externally? (3)
- d) Calculate the cost of each component. (3)
- e) At what level of capital expenditures will there be a break in the MCC schedule? (3)
- f) Calculate the MCC both below and above the break in the schedule. (3)



MID-WESTERN UNIVERSITY
FACULTY OF MANAGEMENT
FINAL EXAMINATIONS: 2074
MASTER OF BUSINESS STUDIES (MBS)
SEMESTER - III

Subject: Strategic Management

Course Code: MGMT 535

Full Marks: 100

Time: 4:00 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 X2 = 20 MARKS)

Answer all questions:

- Q1. State the meaning of strategic management.
- Q2. Enlist any four characteristics of strategic decision.
- Q3. Make a list of different levels of strategy.
- Q4. How does unique resource help to build core competency?
- Q5. What is the reason behind conducting benchmarking?
- Q6. Clarify the concept of retrenchment strategy.
- Q7. Why is market penetration adopted?
- Q8. State the meaning of scenario planning.
- Q9. Draw a diagram of functional organization structure.
- Q10. Write down the definition of strategic evaluation.

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

Answer any SIX questions:

- Q11. Discuss the role of chief executive officer in strategy formulation. (8)
- Q12. What are the major directions available for strategy development? (8)
- Q13. State the meaning of environmental scanning and explain its process. (2+6)
- Q14. What do you mean by strategic control? What are its types? Explain. (2+6)
- Q15. Explain SWOT analysis. How does SWOT analysis help an organization to position itself strategically? (4+4)
- Q16. What are the different strategic options under strategic clock? Explain. (8)
- Q17. Discuss about the process of operationalizing the strategy. (8)
- Q18. Write short notes (On any Two): (4+4)
 - a) Product development
 - b) Threshold resources
 - c) Diversification

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

Answer any TWO questions:

- Q19. "Strategic management is a critical element for the success of any enterprise in the present global context". In the light of this statement, explain the importance and challenges of strategic management. (10+6)
- Q20. Give the meaning of BCG matrix. What are the major contributions of this matrix to corporate strategic choice? Explain. (16)
- Q21. "Business organizations are found to have been more engaged in external environment analysis rather than in internal environment analysis". In the context of the given statement, explain the internal and external components of environment analysis. (8+8)