# BBA BI CURRICULUM STRUCTURE, 2013

## Foundation Courses  
(33 Credit Hours)

<table>
<thead>
<tr>
<th>Course Code</th>
<th>Course Title</th>
<th>Credit Hours</th>
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<tbody>
<tr>
<td>ENG 101</td>
<td>English I</td>
<td>3</td>
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<tr>
<td>ENG 102</td>
<td>English II</td>
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<tr>
<td>MTH 101</td>
<td>Business Mathematics I</td>
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<tr>
<td>MTH 102</td>
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<tr>
<td>STT 101</td>
<td>Business Statistics</td>
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</tr>
<tr>
<td>STT 201</td>
<td>Data Analysis and Modeling</td>
<td>3</td>
</tr>
<tr>
<td>ECO 101</td>
<td>Introductory Microeconomics</td>
<td>3</td>
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<tr>
<td>ECO 201</td>
<td>Introductory Macroeconomics</td>
<td>3</td>
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<tr>
<td>ENG 203</td>
<td>Business Communication</td>
<td>3</td>
</tr>
<tr>
<td>SOC 101</td>
<td>Fundamentals of Sociology</td>
<td>3</td>
</tr>
<tr>
<td>PSY 101</td>
<td>General Psychology</td>
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## Management Core Courses  
(45 Credit Hours)

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<tbody>
<tr>
<td>MGT 111</td>
<td>Principles of Management</td>
<td>3</td>
</tr>
<tr>
<td>MIS 201</td>
<td>Introduction to Management Information Systems</td>
<td>3</td>
</tr>
<tr>
<td>MGT 211</td>
<td>Fundamentals of Organizational Behaviour</td>
<td>3</td>
</tr>
<tr>
<td>ACC 121</td>
<td>Financial Accounting I</td>
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<tr>
<td>ACC 122</td>
<td>Financial Accounting II</td>
<td>3</td>
</tr>
<tr>
<td>FIN 131</td>
<td>Essentials of Finance</td>
<td>3</td>
</tr>
<tr>
<td>FIN 231</td>
<td>Financial Management</td>
<td>3</td>
</tr>
<tr>
<td>ACC 221</td>
<td>Basics of Managerial Accounting</td>
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<tr>
<td>RCH 311</td>
<td>Business Research Methods</td>
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<tr>
<td>MKT 241</td>
<td>Principles of Marketing</td>
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</tr>
<tr>
<td>MGT 311</td>
<td>Fundamentals of Operations Management</td>
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</tr>
<tr>
<td>MGT 314</td>
<td>Management of Human Resources</td>
<td>3</td>
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<tr>
<td>MIS 301</td>
<td>Essentials of e-Business</td>
<td>3</td>
</tr>
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<td>MGT 411</td>
<td>Business Environment in Nepal</td>
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<tr>
<td>MGT 412</td>
<td>Strategic Management</td>
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## Banking and Insurance Core Courses  
(30 Credit Hours)

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<thead>
<tr>
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<tbody>
<tr>
<td>FIN 171</td>
<td>Principles of Insurance</td>
<td>3</td>
</tr>
<tr>
<td>FIN 232</td>
<td>Management of Commercial Banks</td>
<td>3</td>
</tr>
<tr>
<td>FIN 238</td>
<td>Risk and Insurance Management</td>
<td>3</td>
</tr>
<tr>
<td>LAW 292</td>
<td>Legal Aspects of Banking and Insurance</td>
<td>3</td>
</tr>
<tr>
<td>FIN 331</td>
<td>Life and Health Insurance</td>
<td>3</td>
</tr>
<tr>
<td>FIN 333</td>
<td>Property and Liability Insurance</td>
<td>3</td>
</tr>
<tr>
<td>FIN 334</td>
<td>Treasury Operations</td>
<td>3</td>
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<tr>
<td>FIN 335</td>
<td>Credit Risk Management</td>
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<tr>
<td>FIN 337</td>
<td>International Banking and insurance</td>
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</tr>
<tr>
<td>FIN 437</td>
<td>Financial Institutions and Markets</td>
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**Electives**

*(Two courses from the following list)*

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<tbody>
<tr>
<td>FIN 431</td>
<td>Corporate Finance</td>
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<tr>
<td>FIN 432</td>
<td>Microfinance</td>
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<tr>
<td>FIN 433</td>
<td>Investment Management</td>
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<td>FIN 436</td>
<td>Fundamentals of Financial Derivatives</td>
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<td>FIN 438</td>
<td>Trade Finance</td>
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<tr>
<td>FIN 471</td>
<td>Marketing of Banking and Insurance Products</td>
<td>3</td>
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<tr>
<td>FIN 472</td>
<td>IT for Banking and Insurance Services</td>
<td>3</td>
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<tr>
<td>FIN 473</td>
<td>Special Topics in Insurance</td>
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**Project Work and Internship**

*(6 Credit Hours)*

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<thead>
<tr>
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<th>Course Title</th>
<th>Credit Hours</th>
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<tbody>
<tr>
<td>PRJ 492</td>
<td>Project Work</td>
<td>(3 Credit Hours)</td>
</tr>
<tr>
<td>INT 392</td>
<td>Internship</td>
<td>(3 Credit Hours)</td>
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# BBA-BI Program
## CURRICULAR STRUCTURE AND COURSE CYCLE

<table>
<thead>
<tr>
<th>Semester I</th>
<th>Semester II</th>
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<th>Semester VII</th>
<th>Semester VIII</th>
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MIS 201 Introduction to Management Information System
BBA BI, 5th Semester

Course Objectives
The course will introduce students to comprehensive knowledge and understanding on information systems and its importance in business and management. It evaluates the role of the major types of information systems in a business environment and their relationship to each other, and assess the impact of the Internet and Internet technology on business electronic commerce and electronic business.

Course Description
This course provides an introduction to information systems for business and management. It is designed to familiarize students with organizational and managerial foundations of systems, the technical foundation for understanding information systems, the role of information systems in enhancing business processes and management decision making across the enterprise, and the process of building and managing systems in organizations. The course will focus on topics such as Internet and Internet technology, the Electronic Business and Electronic Commerce, the Information Technology (IT) Infrastructure, the Enterprise Applications. The course will provide students with information systems knowledge that is essential for creating successful and competitive firms.

Course Outcomes
Upon completion of this course, students will be able to:
- understand the basic concepts and technologies used in the field of management information systems;
- have the knowledge of the different types of management information systems;
- understand the processes of developing and implementing information systems;
- understand the role of information systems in organizations, the strategic management processes, and the implications for the management;
- develop an understanding of how various information systems work together to accomplish the information objectives of an organization; and
- learn about the importance of managing organizational change associated with information systems implementation.

Course Contents
Unit I: Computer System
6 hours
Introduction to computer technology, Types of Computer Systems, Computer System Concepts, Memory (Primary Storage, Secondary Storage, Cache), CPU- Central Processing Unit, Hardware (Input Devices, Output Devices), Software and its Classification

Unit II: Foundation of Information System
11 hours
Data, Data processing, Information, Information System: concept, characteristics and need; Fundamental Resources of Information System, Potential Risks of Information System, Types of Information System (TPS, MIS, DSS, ESS); MIS: Objectives, characteristics, applications, benefits and limitations; Approaches, development, and implementations of MIS, Systems Development Life Cycle (SDLC) and its Stages, Success and Failure of MIS.
Unit III: Telecommunication and Network  
5 hours

Unit IV: Data Resource Management and DSS  
12 hours
Practical: Microsoft Access, Database Design, Creating New Database, Setting up Tables, Form and Report Design.

Unit V: Business Applications  
8 hours

Unit VI: Functional Applications of Information System  
6 hours
Introduction to Information System, Characteristics of Information System, Computer Reservation System (CRS), Global Distribution System (GDS), Property Management Systems (PMS), Point of Sales Systems (POS)

References
Course Objectives
This course serves as an introduction to Human Resources Management (HRM) and its contributions to the workplace. Today’s organization faces a variety of complex issues, such as globalization, demands for increased productivity, strategic planning and compliance with government legislation. In today’s world, “people” provide the competitive advantage, and HR policies and practices have a significant impact on the bottom line and overall performance of an organization.

Course Description
The course will examine the evolution of HR from a primarily administrative function to a strategic partner and decision maker in the organization. Among other things, the course will look at the effective management of human capital, the importance of attracting and retaining employees, managing a diverse workforce, recognizing employee rights, and legislative requirements. The course specifically deals with the concepts and issues relating to recruitment, selection, and retention practices, evaluating performance, employee development, compensation regulations, employee relations as well as related areas.

Course Outcomes
On successful completion of this course, students will be able to:

- Discuss the relationship between human resource management, the organization and its internal and external environment;
- Explain the concepts and principles of HR planning, job analysis and job design and define the related terms like job description and job specification;
- Explain the recruitment and selection processes and methods;
- Explain the concept, purpose and techniques of employee training, training needs identification, management development, and career development;
- Demonstrate understanding of the performance appraisal concept and examine the techniques of measuring individual performance;
- Discuss the conceptual framework of job evaluation, compensation and rewards management and their application in organizational context;
- Explain the nature of occupational disease, health and safety programs, and responses that ensure legal compliance;
- Explain the concept of labour relations system, collective bargaining, grievance handling, disciplinary actions and industrial actions.

Course Contents

Unit I: Human Resources Management: Concept and Context 5 hours
The concept of HRM; Functions of HRM; Changing dimensions of HRM; Changing role and challenges of HRM managers; Essential skills for HR managers; Purpose and structure of HR department; HRM as a shared function; External and internal context of HRM; HRM in the Nepalese context.
Unit II: Human Resources Planning and Recruitment  
10 hours
Job requirements - the role and importance of jobs; Relationship of job requirements to HRM functions; Job analysis and Job design – concepts, methods and outcomes; Human resources planning – importance, purpose and major elements of HR planning; HR inventory; Replacement and succession planning; Recruiting from within and outside the organization; Recruitment of protected classes; Electronic recruitment; Selection process; Matching people and jobs; Sources of information about job candidates; Employment interview; Employment tests; Reaching a selection decision; Issues of gender in recruitment and selection; Induction and placement.

Unit III: Training and Career Development  
8 hours
Training as a system; Training as a tool for developing work culture; Designing training programs; Training needs assessment – concept and methods; Training non-managerial employees; Training managers and supervisors; Training methods; Psychological principles of learning; Evaluation of training programs; Career development - phases and objectives of career development; Management development techniques; Emerging concepts of HRD – leadership development, talent management, empowerment, mentoring; HRD practices in Nepalese organizations - career management and employee retention issues.

Unit IV: Performance Appraisal  
4 hours
Concept, process and benefits of performance appraisal; Performance appraisal methods; Appraisal interviews; Factors affecting performance appraisal; PA practices in Nepalese organizations; Improving employee performance; Counseling employees with problems.

Unit V: Compensation Management  
7 hours
Concept, process, methods of employee compensation; Job evaluation systems – concept and methods; Compensation structure and components; Employee benefits – incentive system, gain sharing, employee benefits and services, types of employee benefit; Incentives for management employees; Governmental regulations of compensation in Nepal – minimum wages, welfare and incentive provisions, retirement benefits; Issues in compensation management in Nepal.

Unit VI: Safety and Health at Work  
4 hours
Legal requirements for safety and health; Accidents; Occupational diseases and other health issues; Sexual harassment at work; Drug and alcohol related problems; Creating a safe and healthy work environment; Emerging concepts and issues in OHS.

Unit VII: Industrial Relations and Disciplinary System  
10 hours
Disciplinary policies and procedures; Types of disciplinary actions; Grievance handling methods and mechanisms; Methods of reducing complaints; Industrial relations system – concept, process and issues; Trade unions - structures, functions, and leadership; Trade union issues in Nepal; Industrial disputes – nature and types; Government regulations of labor relations; Collective bargaining process and contract administration; Trends and issues in collective bargaining in Nepal.

Basic Texts

References
Course Objectives
The objective of this course is to provide students with the conceptual framework and theoretical foundation necessary to understand the organization, structure, regulations and functioning of the various financial institutions and markets operating in an economy.

Course Description
This course provides broad overview of the structure, function and the role of financial institutions and markets in the economy. Students will have an opportunity to study important financial institutions such as central bank, commercial banks, investment banks, insurance companies, pension funds and investment companies. They will also study the organization, instruments and participants of money, bond and stock markets. Finally, they will also study the level, term-structure and the theories related to the interest rates.

Course Outcomes
By the end of this course, students should be able to:
- understand fundamental concepts of financial institutions and markets including the role of financial system in the economy;
- describe the function of the central bank including the tools it uses to affect the economy;
- explain theories that describe the level and term structure of interest rates;
- identify money markets securities, compute yields and analyze the risk on money market securities;
- explain the features of long-term debt securities, their ratings, indexes and markets;
- understand how the stock market operates and how the stock indexes are constructed and interpreted;
- analyze size, structure and composition of commercial banking industry;
- identify the sources and uses of funds of commercial banks;
- analyze various types of risks in commercial banking industry;
- explain the regulation of deposits, operations and the capital of commercial banks; and
- explain functions performed by other types of financial institutions – insurance companies, mutual funds, pension funds, securities firms and other lending and saving institutions.

Course Contents

Unit I: The Role of Financial Institutions and Markets
Meaning of financial markets and institutions; functions of the financial markets; classification and diversity of financial markets; types of financial institutions and their functions; classification of financial institutions in Nepal.

Unit II: Central Banking
Meaning and functions of central bank; monetary policy tools of the central bank; effects of monetary tools on various economic variables; Nepal Rastra Bank and monetary policy tools in Nepal.
Unit III: Determination and Structure of Interest Rates
5 hours
Determination of interest rates: loanable fund theory; economic forces affecting interest rates; forecasting interest rates. Structure of interest rates: characteristics of debt securities and yield variation; explaining actual yield differentials; theories of term structure of interest rates; uses of the term structure.

Unit IV: The Money Market
5 hours
Introduction of money market; yields on money market securities; money market securities; money market participants; international money market; risk of money market securities.

Unit V: The Bond and Stock Market
10 hours
Bond markets: bond market securities – Treasury notes and bonds, strips; municipal bonds – types and trading process; corporate bonds – bond characteristics, bond ratings, bond market index, comparison of bond market securities; international bond market securities – euro bonds, foreign bonds, Brady bonds and sovereign bonds. Stock market: stock market securities – common stock and preferred stocks; primary and secondary stock markets; stock market indexes; regulations of stock market and the role of Nepal Securities Board; international stock market.

Unit VI: Commercial Banks
10 hours
Services provided by commercial banks; size, structure, and composition of the industry; technology in commercial banking; sources and uses of funds of commercial banks; off-balance sheet activities; regulatory structure of banks; regulation of bank deposit, operation and capital; risk in commercial banks – credit risk, liquidity risk, interest rate risk, market risk, off-balance sheet risk, foreign exchange risk, country risk, technology and operational risk, insolvency risk.

Unit VII: Other Financial Institutions
10 hours
Insurance companies: life insurance companies – size, structure and composition of the industry; property-casualty insurance companies – size, structure and composition of the industry; regulation of insurance companies. Mutual fund: size, structure and composition of the industry; different types of mutual fund; mutual fund prospectus and objectives; net assets value; mutual fund costs. Pension fund: insured versus noninsured funds, defined benefit versus defined contribution pension funds, private pension funds versus public pension funds. Security firms and investment banks: services offered by securities firms versus investment banks. Other lending and saving institutions: meaning and functions of saving associations, saving banks, credit unions, finance companies.

Basic Texts

References
Course Objectives
This is the foundation course on marketing. It aims to build students' understanding of the marketing process and principles. Through this course, students also acquire skills to design marketing strategies of SMEs.

Course Description
This course focuses on operation of the marketing function in a dynamic and competitive environment. It deals comprehensively on issues of emerging marketing practices and challenges, the dynamics of the marketplace, and designing of marketing mix. The course includes topics that help students to understand marketing process and environment, information systems and buyer behavior, segmentation, targeting, and positioning strategies, and strategies related to marketing mix variables.

Course Outcomes
By the end of this course, students should be able to:
- describe the tasks of marketing management in the modern organizations;
- understand the development of the marketing philosophies and their relevance in the contemporary business world;
- identify the challenges faced by marketers in the 21st century;
- identify the micro and macro environmental forces that determine the success of marketing efforts;
- examine the role of marketing information system in designing marketing strategies;
- understand the buying process and influencing factors related to individual consumer and organizations;
- design basic strategies related to market segmentation, targeting, and product positioning;
- analyze the strategies related to marketing mix variables.

Course Contents

Unit I: Marketing and Marketing Environment

Introduction to Marketing and Marketing Management: Meaning of marketing; Evolution of the Marketing philosophies (marketing concepts); Basic principles of the marketing concept and holistic marketing concept. Meaning and tasks of marketing management.

Marketing in the Contemporary World: Marketing challenges of the 21st century and firms' responses to the challenges; Concept, relevance and practices of relationship marketing, green marketing, e-marketing, pyramid (C2C) marketing and rural marketing.

Marketing Mix: Components of the marketing mix for products and services.

Marketing Environment: Meaning and scope of marketing environment; Micro environment variables, and Macro environment variables; Reactive and proactive marketing. Marketing environment in Nepal.
Unit II: Marketing Information System and Buyer Behavior  
10 hours
Marketing Information System: Concept and relevance; Components of the marketing information system; Marketing research areas and process.


Unit III: Segmentation, Targeting and Positioning Strategies  
4 hours
Segmentation: Concept, process and requirements; levels of segmentation; bases for segmenting consumer and organizational markets.

Targeting: Segment evaluation, analysis and selection.

Positioning: Concept and types of positioning; product positioning process.

Unit IV: Product, Pricing, Distribution and Promotion Strategies  
22 hours
Product: Concept and levels of the product; product classifications; Product life cycle stages and strategies; New product development process; Branding strategies – branding objectives, types of brand, and concept of brand equity; Packaging: functions and levels of packaging; essentials of a good package; Product line and mix strategies; Service product strategies: service marketing concept, characteristics of services and marketing strategies; management of people, physical evidences, and process.

Pricing: Concept of price and pricing; Importance of pricing; Internal and external price factors; Pricing approaches – cost-based, demand-based, value-based and competition-based approaches; New product pricing; price lining, price adjustments, initiating and responding to price changes.

Distribution: Concept and objectives; Channel functions; Channel designs for consumer and industrial products; Channel selection factors; Channel conflicts and their resolution. Marketing logistics: Concept, nature and objectives; major logistics functions – transportation, warehousing, inventory management, order processing, and customer services decisions.

Promotion: Concept; Marketing communication process and systems; promotion mix components; promotion mix determination factors. Advertising: Nature and objectives; Advertising budgeting approaches; Adverting message design factors; Advertising media selection factors. Personal Selling: Nature and relevance of personal selling; Types of personal selling. Sales Promotions: Nature and objectives; Sales promotion tools and techniques. Public Relations: Nature and objectives; tools of public relations. Direct marketing: Concept and relevance; Methods of direct marketing.

Basic Texts
References

Fin 232 Commercial Bank Management
BBA BI, 5th Semester

Course Objectives
The course aims to equip students with knowledge and skills necessary to understand the fundamentals of commercial bank management and acquaint them with tools and methods available to manage commercial banks. Specifically, this course covers the key areas of the commercial bank management process: establishment of a bank, raising funds to run it and evaluate the performance of the bank.

Course Description
This course provides an understanding of the nature of commercial banks and its regulatory environment. Then it describes how a bank and its branches are established. The course offers an opportunity to study bank’s state of financial affairs as represented in balance sheet and income statement, and evaluates bank’s performance using appropriate tools of analysis. Finally, it also discusses how a bank manages capital and raises deposits as sources of funds for its operation.

Learning Outcomes
On successfully completing this course, students will be able to:
• understand the nature of commercial bank and its regulatory environment;
• identify various structures of commercial banking industry;
• complete formalities for establishing banks and bank branches;
• interpret key items that appear in balance sheet and income statement of banks;
• apply appropriate ratios to evaluate bank performance;
• understand the role of bank capital from the view point of shareholders as well as regulators;
• identify deposit and non-deposit sources of funds; and
• demonstrate adequate knowledge and skills required for managing commercial bank.

Course Contents

Unit I: Introduction 5 hours
Meaning and types of banks; services provided by banks; bank and its competitors in the financial system; and key trends affecting banks.

Unit II: The Bank Regulatory Environment 5 hours
The need for regulation, banking regulations – commercial banking act (Banks and Financial Institutions Act), directives of Nepal Rastra Bank to commercial banks; and the role of Nepal Rastra Bank in the regulation of commercial banks.

Unit III: Organization and Structure of Commercial Banking Industry 5 hours
The organization and structure of the commercial banking industry; internal organization of banking firm; types of banking organizations: unit banking organizations, branch banking organizations, bank holding company organizations; and financial holding companies and bank subsidiaries.
Unit IV: Establishing Banks and Bank Branches  
Establishing a new bank; factors affecting the decision to establish a new bank; bank chartering process in Nepal; opening a new branch; branch regulation, changing role of bank branches; establishing automated limited-service facilities; point-of-sale terminals; automated teller machines; home and office banking; telephone banking and call centers; internet banking; and NRB policy on establishing banks and bank branches.

Unit V: The Financial Statements of Banks  
An overview of bank balance sheet and income statement; the balance sheet: the assets of a bank, liabilities of a bank; off-balance sheet items; income statement and its components; auditing; and NRB guidelines on bank’s financial statements.

Unit VI: Evaluating Bank Performance  
A framework for evaluating bank performance; internal performance: bank planning, technology, personnel development; external performance: market share, regulatory compliance, public confidence; analyzing bank performance with financial ratios: profit ratios – return on equity, return on assets, net interest margin; risk ratios – capitalization, asset quality, operating efficiency, liquidity; and other financial ratios – taxes, interest sensitivity.

Unit VII: Bank Capital Management  
Bank capital; equity, long-term debt, reserve; role of bank capital; capital adequacy: regulator’s viewpoint, capital standards, uniform capital requirements, risk-adjusted capital requirements; shareholder’s viewpoint; trends in bank’s capital; bank regulatory capital and Basel rules; and NRB directives on capital requirements.

Unit VIII: Liabilities Management  
Structure of bank liabilities: deposit and non deposit sources of funds; deposit products and schemes, balance sheet structure of bank liabilities; and managing bank liabilities.

Basic Texts

References
PRJ 492 Project Work  
BBA BI, 5th Semester

Students are required to do an independent capstone project that involves fieldwork and its empirical analysis. At the end, students are required to prepare a report of their project work in the prescribed format and submit to the authorized person/body. The objective of this project work is to develop students’ skills in research, particularly in areas of data collection, processing, analysis, and report writing. These reports will be evaluated by the concerned authority.

This assignment specifically aims to develop knowledge, skills and attitudes necessary for conduct of individual research at a level which will make a distinct contribution to knowledge. Students are expected to demonstrate the use of appropriate research, methodology, and written skills through the preparation and presentation of their investigation.

Through this PW, students gain a new perspective into the real world. It is also an excellent networking platform for students to get acquainted with people from different organizations, business backgrounds, skills, expertise, etc. This will improve the student’s networking skills and also expand their networking group. Specifically, the objectives of the PW include:

- To provide an opportunity for the student to integrate classroom knowledge and practice.
- To enable graduate students to do an independent study to reflect a creative endeavour that can make some contribution to knowledge in a given field.
- To develop students’ ability to read professional literature, reports, and other works critically in their design, treatment of data, and conclusions.
- To strengthen the ability of students in presenting their research work in a clear, concise, and logical manner and enable other readers to use the results of their investigations.

Students must complete an Expression of Interest (FORM) and submit it to the PW Committee of their respective school/college. The PWC of the school/college will make its decision on student applications. Once the PW proposal submitted by the student is approved, the student is required to work under the guidance of the supervisor as assigned to him/her by the PWC.
MIS 301 Essential of E-Business  
BBA BI, 6th Semester

Course Objectives
This course is designed with the objective of defining the nature and scope of e-business technologies along with a brief history of their development and implementation. The course familiarizes students with the way e-business technologies can be applied within business firms. This subject considers the organizational dimension of e-business implementation in order to reflect the likely nature of future challenges and opportunities.

Course Description
First, this course introduces students to the fundamental concepts, philosophies and trends that provide the context of E-business and E-Commerce. Students will then be better able to understand and apply, with confidence, the technical and theoretical knowledge that will be learned in later sections. Additionally, students are required to prepare a report on E-Business Plan and present it for class-room discussion.

Course Outcomes
After going through this course, students should be able to:

- Define the nature and explore the scope and economic and social impact of e-business technologies;
- Critically assess the potential for efficiency gains and growth in consumer power from e-business technologies;
- Understand the role of technology in e-business and trace its evolution;
- Assess the likely consequences of e-business technologies for change at the societal level;
- Understand the concept and role of digital marketing and e-payment systems;
- Gain awareness of the nature and scale of challenges in the business environment that will affect the future development of e-business.

Course Contents

Unit I: Introduction 7 hours
Concept of e-business; Nature, scope, and impact of e-business; Difference between e-business and e-commerce; History and development of e-business; Advantages of e-business; Business models for e-products and e-services; Contribution of e-business to economic growth, market, competitiveness, and productivity.

Unit II: Technologies in e-business 8 hours
Introduction; e-business technologies - hardware, e-business software applications, internet and World Wide Web; Database management system; e-business security; Online payment technology; IT/IS evaluation and e-business; Social consequences of e-business technologies.

Unit III: Digital Marketing 7 hours
Concept; Effects of e-business technologies on marketing strategy, customer retention and e-CRM; Measuring the extent of digital marketing activity; Market analysis; Digital marketing tools; Viral marketing.
Unit IV: E-Business and Operations management  
6 hours
Difference between purchase and procurement; Market solutions - sell-side, buy-side, and market place; Integration of product catalogue; Procurement service providing.

Unit V: E-Contracting  
4 hours
Concept of generic services - information, negotiation, archiving, enforcement, reconciliation; Structure of a contract; Digital signature; Legal affairs.

Unit VI: Online Distribution  
5 hours
Components of a distribution system; Characterization of online distribution; hybrid distribution networks; Model for electronic software distribution.

Unit VII: E-Payment System  
7 hours
Characteristics of payment system; Classification of payment systems - E-cash, E-check, overview of smart card; Applications of IPSec.

Unit VIII: E-Business Plan Development  
4 hours
Students must develop an E-Business Plan; The business plan must incorporate IT-features that would address complete requirements to run a specified business.

Basic Texts

References
FIN 231 Financial Management  
BBA BI, 6th Semester

Course Objectives  
This course aims to provide students with the basic understanding of important aspects of financial management and critically evaluate financial information. Students are introduced to concepts and tools that enable them to think critically about the financial opportunities and challenges faced by an organization. The course thus lays the foundation in students for further study in finance and equip them adequately to undertake financial decisions.

Course Description  
This course will deal with the basics of financial management, especially, introduction to financial management, concept of capital structure, effects of leverage, elementary knowledge on theory of capital structure, dividend policy, long-term and short-term financing, working capital management, and elementary knowledge on special topics such as derivatives, financial distress, merger and acquisition. Through lectures, readings and case studies students learn fundamentals of financial management and the skills and their application in financial decision making.

Course Outcomes  
By the end of this course, students should be able to:
- understand the nature of financial management;
- understand the basic concept and issues of capital structure, effect of leverage; capital structure theories, and dividend policy as a part of capital structure decision;
- identify the sources of long-term and short-term financing, short-term financing policies, and be familiar with the concept of venture capital, public offering and investment banking;
- understand the concept of working capital and working capital management, and components of working capital;
- understand the concept of derivatives, types of options, and gain the skill to calculate the value of options; and
- understand the basic concept of financial distress, merger and acquisition, and international aspect of financial management.

Course Contents  
Unit I: Introduction 5 hours
Meaning of financial management; Financial management decisions; Financial manager’s responsibilities; Value maximization goal as a financial management decision criterion; The agency relationship; Concept of corporate governance.

Unit II: Capital Structure and Leverage 6 hours
Concept of capital structure; Target capital structure; Business and financial risk; Break even analysis; Leverage: concept, operating leverage, financial leverage, total leverage, impact of financial leverage; Capital structure theories: traditional approach, net income approach, net operating income approach, the Modigliani-Miller's proposition.
Unit III: Dividend and Dividend Policy  
Nature of dividend policy; Cash dividend and dividend payment; Factors affecting dividend policy; Establishing a dividend policy; Stock repurchase; Stock dividend, stock split and reverse split.

Unit IV: Raising Capital  
Term loan; Bonds: meaning and features, types, bond innovation; Preferred stock: features, advantages and disadvantages; Common stock: equity account in balance sheet, Rights and privileges of common stockholders; features of common stock; Cost and benefit of debt versus equity; Methods of selling securities; Initial public offerings; Concept and functions of investment bankers; Concept of venture capital; Concept of lease financing.

Unit V: Short-Term Financial Planning  
Concept of short-term financial management; Tracing cash and net working capital; The operating cycle and the cash cycle; Important aspects of short-term financial policy; The size of the investment in current assets, alternative financing policies for current assets; Cash budget.

Unit VI: Short-term Financial Management  
Float and cash Management: reasons for holding cash and understanding float; Cash management: collection, disbursement and investment; Credit and receivables: components of credit policy, terms of sales, optimal credit policy, credit analysis, collection policy; Inventory management: concept and types, inventory management techniques—ABC approach, and EOQ.

Unit VII: Introduction to Derivatives  
Concept of derivative and underlying assets; Option: meaning, types, determinants of option value, valuation of call option and put option; Futures contract and forward contract; Warrants: meaning, features, valuation; Convertibles: meaning, Conversion ratio, conversion price and conversion value.

Unit VIII: Special Topics  
Merger and acquisition: meaning, motives, types, difference between merger and acquisitions; Financial distress: concept of financial distress, bankruptcye and liquidation.

Basic Texts  

References  
Publication.
Course Objectives
The aim of this course is to familiarize students with the legal environment and framework in which banking and insurance companies operate. Specifically, the course enables students to comply with banking and insurance regulations while working in banks and insurance industries.

Course Description
This course provides an understanding of the legal framework in which banks and insurance companies operate. It introduces the nature of banking and insurance regulations and regulators and discusses regulations related to bank establishment and bank operation, laws relating to capital requirements and reporting. Similarly, the course also covers insurance laws related to insurance contract, tariff setting and claim settlement process. Finally, it deals with corporate governance of banks and insurance companies and important provisions of acts related to the conduct of banking and insurance businesses.

Course Outcomes
On successfully completing this course, students will be able to:
- understand the nature and development of banking and insurance laws;
- apply the rules and regulations in the establishment of banking and insurance companies;
- assess capital requirements of banks and insurance companies;
- comply with the reporting requirements of regulators and other stakeholders;
- fulfill duty of disclosure and understand the effects of non-disclosure;
- apply due process in claim settlements and understand semi judiciary role of Insurance Board in claim settlement;
- explain basic principles of corporate governance; and
- demonstrate the knowledge of understanding of important provisions of major acts related to banking and insurance businesses and the role of Nepal Rastra Bank and Insurance Board in regulating banks and insurance companies.

Course Contents

Unit I: Introduction to Banking and Insurance Laws  
3 hours
The need of regulation in banks and insurance companies; development of banking and insurance laws in Nepal.

Unit II: Registration of Bank and Insurance Companies  
8 hours
Bank and insurance companies as legal personality; memorandum of association; articles of association; application for registration; capital requirements; categorization of banks and insurance companies; Relevant provisions of Banks and Financial Institutions Act and Insurance Act in the registration of banks and insurance companies.
Unit III: Corporate Affairs, Accounting and Reporting 10 hours
Corporate reporting; directors’ meetings; provisions relating to maintenance of accounts and auditing, applications of accounting standards to banks and insurance companies; and reporting to shareholders and regulators.

Unit IV: Bank Operations 5 hours
Laws relating to deposit, lending, international trade, remittance and ancillary services; negotiable instruments; capital adequacy ratio; prudential norms relating to capital; and consequences of non-compliance.

Unit V: Legal Framework of Insurance 3 hours
Insurance and the law of contract: general requirements of an enforceable contract; void and voidable; special legal characteristics of insurance contract: insurance as a contract of indemnity, insurance as a personal contract, insurance as a unilateral contract, insurance as a conditional contract, insurance as a contract of adhesion, insurance as a aleatory contract, and insurance as a contract of utmost good faith.

Unit VI: Regulation of Insurance Industry 6 hours
Goals of insurance regulation; current regulatory structure; federal versus state regulation; areas of regulation: solvency regulation, market regulation, regulation of rates; claim procedures and settlement; breach of contract; disputes of insurance; semi judiciary role of Insurance Board in claim settlement; and ombudsman.

Unit VII: Corporate Governance in Banks and Insurance Companies 3 hours
Principles of corporate governance; Nepal Rastra Bank’s directives to banks on corporate governance; and Insurance Board’s directives to insurance companies on corporate governance.

Unit VIII: Major Regulations and Regulators of Banking and Insurance 10 hours
Features and coverage of Banks and Financial Institutions Act 2006; features and coverage of Insurance Act 1992; features and coverage of NRB Act; features and coverage of debt recovery act and banking offence act; role of Nepal Rastra Bank in regulating banks, and role of Insurance Board in regulating insurance companies.

Basic Texts

References
2. Vaughan, E. J. & Vaughan, T. M. *Fundamentals of risk and insurance.* John Willey
Course Objectives
The aim of this course is to provide students broad knowledge on the principles and practices of life and health insurance. It also aims to provide students required skills useful to apply the principles and practices in managing life and health insurance business.

Course Description
This course mainly covers: fundamental principles of life insurance, types of life insurance policies, life insurance contractual provisions, underwriting and claim settlement processes, buying life insurance, group insurance and annuities, individual health insurance coverage, and life insurance market.

Course Outcomes
On successful completion of this course students will be able to:
- understand fundamental principles of life insurance;
- evaluate the significance of different types of insurance policies and their contractual provisions;
- follow the procedures of underwriting and claim settlement in case of life and health insurance;
- determine the cost, rate of return and tax implications of life policies and annuities;
- explain major aspects of group insurance along with their benefits and costs;
- explain individual health care coverage and identify problems of health care; and
- understand the life insurance market and its participants.

Course Contents

Unit I: Introduction 4 hours
Meaning of life insurance; economic value of life, brief history of life insurance in general and in Nepal.

Unit II: Fundamentals of Life Insurance 6 hours
Premature death; financial impact of premature death on different types of families; amount of life insurance to own; methods of providing life insurance protection.

Unit III: Life Insurance Contract Procedures 6 hours
Requirements of life insurance contract; proposal form; agent’s report; medical report; insurance policy; coverage; adds on cover; exclusion; policy condition; schedule; life insurance contractual provisions.

Unit IV: Life Insurance Underwriting and Claim Settlement 10 hours
Guiding principles in life insurance; life underwriting process; mortality table; premium; different reserves and provisions; investment of life insurance fund; nomination and assignment; policy lapse and revival. Life insurance claim settlement process; maturity claim; death claim; obligation of policyholders and insurers; settlement option; paid up value; surrender value and their calculation; valuation and surplus.
Unit V: Types of Life Insurance Policies 5 hours
Term life insurance; whole life insurance; endowment life insurance; variation of whole life insurance; other types of life insurance policies; life insurance products in Nepal.

Unit VI: Buying Life Insurance 5 hours
Determining the cost of life insurance; rate of return on saving components; taxation of life insurance in Nepal; shopping for life insurance.

Unit VII: Group Insurance and Annuities 6 hours
Group insurance; group life insurance; group accident insurance; group health insurance; annuities; taxation on annuities, individual retirement account.

Unit VIII: Health Insurance 6 hours
Health insurance: individual and group health insurance; hospital-surgical insurance; major medical insurance; third party administrator; shopping for health insurance; health care problem in Nepal.

Basic Texts

References
2. Indian Institute of Banking and Finance, Risk management. Delhi: Macmillan India Ltd.
6. Beema Samiti, Directives to insurance companies.
Course Objectives
The objective of this course is to introduce students to the field of Operations Management (OM). It will give a survey of the main OM issues and the key concepts and tools for dealing with them.

Course Description
This course provides an introduction to the concepts, principles, problems, and practices of operations management. Emphasis is on managerial processes for effective operations in both goods-producing and service-rendering organization. Topics include operations and productivity, operations strategy, forecasting, product and process design, quality assurance, location and layout strategies, supply chain management, inventory management, operations scheduling, JIT and lean operations. The topics are integrated using a systems model of the operations of an organization.

Course Outcomes
By the end of this course, students should be able to:
- Understand and appreciate the production and operations management functions in any organization;
- Understand the importance of productivity and competitiveness to organizations;
- Understand the various production and operations design decisions;
- Explain the importance of product and service design decisions and how they relate to the overall strategies of organizations;
- Explain the importance of quality management practices to attain organizational effectiveness;
- Describe the roles of inventories and basics of managing inventories in various demand settings;
- Analyze the contemporary operations and manufacturing organizational approaches and supply-chain management activities.

Course Contents
Unit I: Introductions to Operations Management
Operations and Productivity 5 hours
Introduction, organizing for transformation process, objectives, heritage of operations management, operations in service sector, Trends in operations management, productivity challenges, Ethics and social responsibility.
Operations Strategy 5 hours
Global view of operations, developing missions and strategies, achieving competitive advantages through operations, strategy development and implementation.

Unit II: Designing Operations
Product and Process Design 7 hours
Product selection, Generating new products, product development, issues for product design, service design, Process strategies, process analysis and design, product process matrix,
service process design, capacity planning, capacity considerations, demand and capacity management in services.

**Quality Assurance**  
7 hours  
Defining quality, International quality standards, Total quality management, Tools of TQM, TQM in services, statistical process control (Statistical Control Chart, \(X\) chart, R-chart, p-chart)

**Unit III: Managing Operations**

**Supply Chain Management**  
7 hours  
Strategic importance, supply chain strategies, vendor selection, logistics management, measuring supply chain performance, outsourcing, risks in outsourcing, ethical issues in outsourcing.

**Inventory Management**  
7 hours  
Functions of inventory, types of inventory, inventory models for independent demand (deterministic model), material requirement planning, enterprise resource planning.

**Operations Scheduling**  
6 hours  
Strategic importance, scheduling issues, loading jobs, sequencing jobs, scheduling services.

**JIT and Lean Operations**  
4 hours  
Just-in-Time, JIT layout, JIT inventory, JIT scheduling, JIT quality, lean operations, lean operations in services.

**Basic Text**


**References**

FIN 333 Property and Liability Insurance  
BBA BI, 7th Semester

Course Objectives  
This course aims to provide students broad knowledge on properties and liability insurance, and equip them with skills to put the knowledge in practice. The course will also familiarize students with the current problems and prospects in the field of property and liability insurance in Nepal.

Course Description  
This course is designed to provide broad understanding on properties and liability insurance. Specifically the course deals with the introduction to properties and liability insurance, the nature of general insurance contract, various services provided by fire, motor, marine, aviation, engineering and miscellaneous insurances. The course also addresses current problems and prospects in the field of property and liability insurance in Nepal.

Course Outcomes  
On successful completion of this course students will be able to:
- understand the principles of general insurance;
- understand provisions of general insurance contract;
- select appropriate policies of fire insurance to cover the risk of fire;
- explain fundamentals of motor insurance and select appropriate policies of motor insurance to cover the risk associated with motor insurance including third party liabilities;
- understand fundamentals of marine and goods-in-transit insurance and its role in international trade;
- explain important concepts related to liability insurance;
- understand fundamentals of aviation insurance and its market;
- identify appropriate products for engineering and contractors’ all risk insurance; and
- follow underwriting and claim settlement process of general insurance.

Course Contents  
Unit I: Introduction  
4 hours  
Introduction to general insurance; types of general insurance; development of general insurance in general and in Nepal; and principles of general insurance.

Unit II: General Insurance Contract  
5 hours  
General insurance contract; proposal form; inspection; general insurance policy; coverage; adds on Cover; exclusion; policy condition; schedule; endorsements; days of grace; trailers; and policy cancellation and reinstatement of the policy.

Unit III: Fire Insurance  
5 hours  
Brief history of fire insurance; types of fire insurance; fire insurance contract; major coverage; comprehensive cover; and major clauses of fire insurance policy and policy conditions.
Unit IV: Motor Insurance  
5 hours
Types of motor insurance; certificate of motor insurance; fire and theft cover; other coverage; cover note; no claim discount; green card system; policy conditions; motor tariff; own damage loss; third party liability; knock for knock; and hit and run.

Unit V: Marine Insurance and Goods in Transit Insurance  
5 hours
Brief history of marine insurance; marine insurance and international trade; types of marine insurance; goods in transit insurance; coverage; and policy condition; and exception.

Unit VI: Engineering Insurance  
5 hours
Concept of engineering insurance; contractors all risk insurance; erection all risk insurance; machinery breakdown insurance; boiler insurance; coverage; policy condition; and exception.

Unit VII: Aviation Insurance  
3 hours
Types of aviation insurance; aviation cover note; role of aviation insurance; and aviation insurance in Nepal.

Unit VIII: Liability Insurance  
6 hours
Concept of liability insurance; basic legal liability; law of negligence; imputed negligence; res ipsa loquitor; special application of the law of negligence; current tort liability problem; general liability loss exposure; and different types of liability insurance.

Unit IX: Miscellaneous Insurance  
5 hours
Cash insurance; bankers’ indemnity insurance; personal accident insurance; burglary insurance; micro insurance; cattle and crop insurance; pecuniary loss insurance; cattle and crop insurance; micro insurance; and reinsurance.

Unit X: Underwriting and Claim Settlement  
5 hours
Underwriting process of property and liability insurance; pricing; tariff and premium calculation; de-tariff claim settlement process; insurance surveyor and third party administrator’s role in claim settlement process; issues in claim settlement process; and claim settlement process in Nepal.

Basic Texts

References
8. Beema Samiti: *Directives to insurance companies*. 
Course Objectives
The course aims to equip students with knowledge and skills necessary to organize treasury department and manage treasury functions related to corporate liquidity, investments and risk related to these functions in a bank. It will also familiarize students with the tools and methods available to carry on these treasury functions.

Course Description
This course provides an understanding of the nature of treasury functions in a bank and equips the students with necessary skills, methods and tools to successfully carry on these functions. Specifically, the course covers the key aspects of corporate liquidity, investments and risk related to these functions in a bank. The topics covered in this course are – treasury management, payment system, asset-liability management, investment function, liquidity and reserve management, foreign exchange risk management, clearing and settlement, and treasury system.

Course Outcomes
On successfully completing this course, students will be able to:
- understand the role and position of treasury function in commercial bank;
- understand various payment systems and choose appropriate system for the payment;
- develop asset-management strategies and analyze duration gap;
- select appropriate instruments for investment and evaluate the investment risk in those securities;
- estimate liquidity and reserve requirements and develop strategies to maintain them at optimum level;
- identify foreign asset liability position and foreign currency risk exposure;
- understand clearing and settlement system; and
- understand treasury technology and treasury management system.

Course Contents

Unit I: Treasury Management
4 hours
Role of the treasury department; treasury controls; treasurer job description; position of treasury department and its components – front, mid and back office – within the corporate structure.

Unit II: Payment Systems
4 hours
Payment systems overview; cash payments; check-based payments; large-value funds; electronic Transfers (Wire Transfer); small-value transfer or automated clearing house systems (ACH); and card based payment systems.

Unit III: Asset-Liability Management
8 hours
Asset-liability management strategies: asset management strategies, liability management strategy, fund management strategy; interest rate risk: forces determining interest rates, the measurement of interest rates, the components of interest rates; goal of interest rate hedging: interest-sensitive gap management, duration gap management; using duration to hedge
against interest rate risk; limitation of duration gap management; and asset-liability management committee.

Unit IV: Investment Function 8 hours
Investment instruments; money market investment instruments: Treasury bills, short-term treasury notes and bonds, government agency securities, certificate of deposit, international Eurocurrency deposits, bankers’ acceptance, commercial paper, short-term municipal obligations; capital market investment instruments: Treasury notes and bonds, municipal notes and bonds, corporate notes and bonds; investment securities held by banks; factors affecting choice of securities; evaluating investment risk: security-specific risk, portfolio risk, inflation risk; and investment strategies – passive investment strategies, aggressive investment strategies.

Unit V: Liquidity and Reserve Management 8 hours
The demand for and supply of liquidity; reasons for liquidity problems; Strategies for liquidity managers; estimating liquidity needs; legal reserve and money position management; factors in choosing among the different sources of reserves; liquidity ratios; optimum bank liquidity; and NRB’s reserve requirements; the Basel rules.

Unit VI: Foreign Exchange Risk Management 8 hours
Foreign exchange rates and transactions: foreign exchange rates, foreign exchange transactions; sources of foreign exchange risk exposure; foreign currency trading; foreign asset and liability position; and purchasing power parity and interest rate parity.

Unit VII: Clearing and Settlement, and Treasury System 8 hours
Clearing and settlement systems: characteristics of clearing and settlement systems; overview of the clearing and settlement process; Fedwire, automated clearing house (ACH) system; clearing house interbank payments system (CHIPS); check clearing; the continuous link settlement (CLS) system; treasury systems: treasurer’s technology needs, treasury management system; and SWIFT connectivity.

Basic Texts

References
**Course Objectives**  
The course aims to equip students with knowledge and skills necessary to understand the credit management function in banking institutions and acquaint them with tools and methods available to manage credit. The course attempts to enable students to understand major tasks performed by credit management department of a bank and make decisions related to sound credit management.

**Course Description**  
This course provides an understanding of the credit process, the assessment of credit risk and managing credit risk for various types of credit facilities. Specifically, this course conceptualizes on the key areas of the credit management process: credit appraisal, administration, monitoring and review. It discusses financial and non-financial factors that affect the creditworthiness and presents comprehensive coverage of credit appraisal, credit execution and administration, and loan review process.

**Course Outcomes**  
On successfully completing this subject, students will be able to:
- understand the nature of bank lending activities and credit risk;
- apply the principles of good lending in assessing credit propositions from bank customers;
- conduct credit analysis for the purpose of bank lending;
- perform quantitative and qualitative analysis for assessment of creditworthiness of borrowers;
- structure, price and market loan products in a competitive way;
- identify and work-out problem loans;
- apply various techniques to mitigate credit risk; and
- demonstrate knowledge and skills required for credit risk management in a bank.

**Course Contents**

**Unit I: Introduction to Bank Credit Management**  
4 hours  
Meaning and significance of credit management; types of credit facilities: funded and non-funded facilities; steps in lending process; credit information and the role of Credit Information Bureau; and management of credit portfolio.

**Unit II: Policies and Structure for Credit Management**  
4 hours  
Principles and regulation of lending; credit policies and procedures; credit manuals; organization of credit function; and credit committee.

**Unit III: Credit Evaluation Process**  
5 hours  
Credit scoring; credit ratings; financial analysis; ratio analysis: profitability ratios, liquidity ratios and measures, measuring efficiency, financial leverage, review of financial indicators; common size statement analysis.
Unit IV: Commercial and Industrial Lending  10 hours
Role of asymmetric information in lending; the competitive environment; loan policy; making loan; principal lending activities; collateral: characteristics of good collateral, types of collateral; the lending process: evaluating a loan request, structuring commercial loan agreements, pricing commercial loan, and monitoring and loan review.

Unit V: Real Estate and Consumer Lending  8 hours
Real estate lending: mortgage debt outstanding, characteristics of mortgage loan, the real estate portfolio, residential mortgage loan, alternative mortgage instruments, technology, commercial real estate loan; consumer lending: types of consumer loan, leases, finance charges, annual percentage rate, real estate and consumer credit regulation.

Unit VI: Non-Fund Based Operations  5 hours
Bank guarantees; letter of credit: meaning and types, establishing letter of credit, parties involved, basic documents, risk assessment in letter of credit.

Unit VII: Credit Administration, Monitoring and Review  8 hours
Credit structuring; bank documentation; types of securities and methods of creating charge over securities; loan covenants; credit file and credit evaluation memo; sanction and disbursement; follow up mechanism for monitoring; indicators of problem loans; credit audit; handling problem loans: credit restructuring; non-performing assets and provisioning norms; non-banking assets.

Unit VIII: Credit Risk and Mitigation  4 hours
Characteristics of credit risk, indicators of credit risk, credit risk and bank failure, mitigating credit risk.

Basic Texts

References
Course Objectives
The course aims to provide students with a sound understanding of environmental forces affecting business operations and to develop their ability to analyze such environmental forces in the Nepalese context. The focus of the course is therefore to review the major environmental forces and analyze their dynamics applicable to Nepalese business.

Course Description:
The course covers the relevant political, economic, legal, socio-cultural, and technological environmental aspects of Nepal and their effects on Nepalese business. In addition, it covers the regional and global environmental factors influencing Nepalese business scenario.

Course Outcomes
After studying this course, students should be able to:
- analyze and identify the opportunities, limitations, and constraints of business;
- pinpoint the changes in the environment and the impact on Nepalese businesses.

Course Contents

Unit I: Concept of Business Environment 4 hours
Concept and framework of business environment; Components of business environment; Environmental scanning/analysis – concept and methods; Use of environmental analysis in strategic management.

Unit II: Economic Environment 4 hours
Economic dimensions of an economy – economic, socio-economic, and industrial dimension; Basic social and economic indicators for Nepal, Analysis of these dimensions and their impact on business; An overview of the latest economic development plan - its objectives and strategies; Indicators of analyzing economic environment.

Unit III: Economic Policies and Reforms 8 hours
Privatization - meaning of privatization, methods of privatization; Privatization policy and practices in Nepal; Industrial Policy - concept and objectives of industrial policy in Nepal; Trade Policy - concept and objectives of trade policy; Labour and Employment Policy - concept and objectives of labour and employment policy; Tourism Policy – concept and objectives of tourism policy in Nepal; Current monetary policy in Nepal; Fiscal policy in Nepal, Liberalization of the Nepalese economy and its effects on the financial and capital market sectors; Effects of liberalization – emerging business environment in Nepal.

Unit IV: Agriculture, Trade and Industrial Sectors: Performance and Issues 5 hours
Nepal's agriculture sector – performance and issues; Nepal’s industrial sector – export-oriented and import substituting industries, service sector; Industrial sector - performance and constraints; The role of industry in the changing scenario; Nepal’s foreign trade – structure and issues in Nepal.
Unit V: Political Environment 5 hours
Significance of political environment for business; Nepalese political system and its important players (political parties); Government and constitutional bodies; Role of government in business; Basic issues in business-government relations; Risk assessment of political environment particularly with reference to business sector; Issues in Nepalese political environment.

Unit VI: Regulatory Environment 7 hours
Concept and features of Private Firm 'Registration Act; Partnership Act; Companies Act; Industrial Enterprise Act; Foreign Investment Act; Labor Act; Trade Union Act; Mines and Minerals Act; Intellectual property - Patent, Design, Copyright and Trade Mark Act; Consumer Protection Act and regulations.

Unit VII: Socio-Cultural Environment 4 hours
Socio-cultural environment and its significance for business; Determinants of socio-cultural environment - religion, language, education, family structure and social organizations; An analysis of how socio-cultural environment affects the Nepalese business; Emerging socio-cultural changes and trends in Nepal.

Unit VIII: Environment, Energy and Technology 5 hours
Business and technology; Human factors and technology; Status of technology adopted by the Nepalese business; Technology transfer issues; IT policy of Nepal; Impact of technological environment on the efficiency and competitiveness of Nepalese business; Energy situation in Nepal; Natural environment and energy management issues in Nepal.

Unit IX: Global Environment 6 hours
Concept of globalization; Nature and types of globalization; Regional economic groupings of nations - SAPTA, SAFTA, and BIMSTEC - their impacts on the Nepalese business; Foreign Direct Investment in Nepal; World Trade Organization (WTO) – Nepal's membership - opportunities and threats for the Nepalese business.

Basic Texts

References
Course Objectives
This course aims to familiarize students with the basic concepts of strategic management and enable them to formulate, implement, and evaluate strategies for businesses. The course also aims to develop comprehensive and integrated view of business. The ultimate objective is to develop skill of practical and integrated application of different fields of management in order to make strategic decisions.

Course Description
Starting from the establishment of a company’s direction by preparing mission statement and vision, this course will proceed to the identification of opportunities and threats emerging from the external environment and assessment of strengths and weaknesses arising from the internal environmental forces. Development of tools needed to match opportunities and threats with strengths and weaknesses will be the next step. Concepts of removing possible hurdles in the implementation of strategy will be followed by the discussion on the implementation of strategy. Finally, issues related to strategic evaluation and control will be discussed.

Course Outcomes
Upon completion of this course, students should be able to:
- Establish and evaluate mission statement, long term objective, vision, and short term plan for the business;
- Analyze the external and internal environment and identify opportunities, threats, strengths, and weaknesses of the firm and thereby formulate appropriate strategies for business;
- Plan pre-implementation and implementation phase; and
- Monitor and evaluate implemented strategies.

Course Contents

Unit I: Introduction 4 hours
Meaning of strategy and strategic management; Strategic Management Model; Characteristics of strategic management; Formality in strategic management.

Unit II: Company Direction 3 hours
Mission and mission statement; Vision; Strategic intent; Strategic objective vs. Financial objective; Policies; Long term and short term objectives.

Unit III: External Environment Analysis 10 hours
PEST analysis - political, legal, economic, socio-cultural, technological, ecological, and international environment analysis framework (individualism vs. collectivism, totalitarian system vs. democracy, common law vs. civil law system; Determinants of culture; State of technological stage; Impact of ecological and international factors); Industry and competitive analysis - Porter's five force model; Strategic group mapping; Monitoring competition.
Unit IV: Internal Analysis 5 hours
Resource to competitive advantage pyramid; Internal analysis approaches - value chain; functional approach; and Resource based view (RBV); Benchmarking.

Unit V: Strategic Options and Choice Techniques 10 hours
Porter's generic strategies: Cost leadership, Differentiation, Grand Strategies (concentration, market development, growth and expansion, product development, innovation, vertical and horizontal integration, concentric and conglomerate diversification, retrenchment/turnaround, divestiture, liquidation, bankruptcy, joint venture, and strategic alliance); Corporate level analytical tools - BCG and GE nine cell matrices; Business level analytical tools - grand strategy selection matrix and grand strategy cluster.

Unit VII: Strategic Implementation 11 hours
Concept and steps of strategy implementation, Operationalisation of strategies: Annual objectives; functional planning (Finance, Marketing, Human Resource, R&D, Production Operations, MIS and General Management); Communications, Guidelines and policies, Institutionalization: structure, types, matching structure with strategy; Resource allocation and budgeting and role of leadership in strategy implementation.

Unit VII: Strategic Evaluation and Control 5 hours
Difference between strategic and operational control; Strategic control tools - premise control, strategic surveillance, implementation control, and special alert.

Basic Texts

References
3. Relevant journal articles and cases.
Course Objectives
The course aims to expose students with the fundamentals of international banking and insurance. It will also familiarize students with the tools and methods used in international banking and insurance business.

Course Description
This course provides an understanding of the nature of international banking and insurance business. Specifically, the course covers the fundamental aspects of international banking – introduction to international banking, correspondent banking exchange rates, concepts and techniques of cross-country remittances. The course also provides an overview of global insurance market, global risk and reinsurance, and international insurance forum.

Course Outcomes
On successfully completing this course, students will be able to:
- understand the evolution of international banking;
- handle correspondent banking activities;
- determine foreign exchange rate and execute foreign exchange transaction;
- understand different concepts used in international remittance and select appropriate means of international remittance;
- identify global market opportunities of insurance business;
- explain the role of reinsurance in mitigating the risk; and
- appreciate the role of international associations in the promotion of insurance business.

Course Contents

Unit I: International Banking 5 hours
Introduction to international banking; the scope of international banking activities; service offered by international banks; regulation of foreign banking activities; and the future of international banking.

Unit II: Correspondent Banking 5 hours
Fund transfer; handling correspondent banking; message authentication; correspondent banking business model; relationship banking; meeting the correspondent business; credit line; ethical practice; and Vostro account operation.

Unit III: Basics of Exchange Rates 5 hours
Exchange rate; causes of rate fluctuation; factors affecting the exchange rate; predicting rate trends; exchange rate, cross rate; quotation rate; swaps; and outright forward deals.

Unit IV: International Remittances 10 hours
Introduction to international remittances; instruments of payment; inland versus foreign payment; options for international settlement; location of accounts; Nostro, Vostro, Loro and Mirror accounts; international settlement process; draft in international banking; cheque books from correspondents; TT remittance through Vostro accounts; TT through Nostro
accounts; funding Nostro accounts; maximizing exchange profit; remittance cash position and currency position.

**Unit V: Overview of International Insurance**  
6 hours  
Evolution of international insurance market; cross border activities of insurance; issues in international insurance: ageing problems; and influence of international insurance in Nepalese insurance market.

**Unit VI: Global Insurance Market**  
6 hours  
The status of insurance penetration and density of advanced economies, emerging economies and developing economies; catastrophic loss and its consequences on global insurance market; global insurance market: Lloyd's of London, the structure of different insurance products in international insurance market; and role of multinational insurance companies in Nepalese insurance market.

**Unit VII: Global Risk and Reinsurance**  
5 hours  
Global risk and risk coping strategies of multinational reinsurance companies; presence of international reinsurance company in Nepalese insurance business; and importance of international insurance companies on mitigating the risk.

**Unit VIII: International Insurance Associations and Forum**  
6 hours  
Needs and importance of international association; the functions of International Association of Insurance Supervisors (IAIS); Association of Insurance and Reinsurance of Developing Country (AIRDC); Insurance Congress of Developing Countries (ICDC); South Asian Insurance Regulators Forum (SAIRF); Global Federation of Insurance Association; and the role of Geneva Association and SS Huebner Foundation in insurance sector.

**References**

4. Publications of International Association of Insurance Supervisors (IAIS), [www.iaisweb.org](http://www.iaisweb.org)
5. Publications of Association of Insurance and Reinsurance of Developing Country (AIRDC), [www.airdc.org](http://www.airdc.org)
Electives
FIN 431 Corporate Finance

Course Objectives
The objective of this course is to provide students an understanding of concepts and theories of corporate finance and develop skills to analyse issues in corporate finance for sound financing decisions in businesses.

Course Description
This course offers students advance knowledge on corporate finance and equip them with additional tools and techniques of corporate finance so as to prepare them to analyze financing problems in a wider context. This course deals with introduction to corporate finance, short-term financing, lease financing, long-term financing, convertibles, exchangeables and warrants, and capital structure determination.

Course Outcomes
By the completion of this course, the students should be able to:
• understand the nature of corporate finance along with determinants of optimal capital structure and ethical issues in corporate financing;
• evaluate different options for short-term financing;
• make a choice between the leasing versus buying alternatives;
• evaluate different alternatives for long-term financing;
• analyze warrants and convertibles as options of financing; and
• determine capital structure that enhances the value of the firm.

Course Contents

Unit I: Introduction to Corporate Finance 3 hours
Nature and significance of corporate finance; financial markets and the corporation; determinants of optimal capital structure; and business ethics and corporate social responsibility in financing decisions.

Unit II: Short-term Financing 8 hours

Unit III: Term Loan and Lease Financing 8 hours
Term loan: features and sources; lease financing: meaning and forms of lease financing, evaluating lease financing in relation to debt financing - return to lessor, equilibrium annual lease payment, present value of lease alternative, present value of borrowing alternative, and factors affecting lease versus purchase decisions.

Unit IV: Long-term Debt and Preferred Stock Financing 8 hours
Features of long-term debt; secured and unsecured bonds; major provisions of preferred stock issues; the use of preferred stock in financing decision; comparative advantages and
disadvantages of long-term debt, bond and preferred stock; and refunding decisions on debt and preferred stock.

**Unit V: Common Stock Financing**  
5 hours  
Common stock financing: rights of holder of common stock: nature of voting rights, cumulative voting, pre-emptive right; methods of selling common stocks: public offering, right offering, private placement; comparative advantages and disadvantages of common stock financing; and concept of venture capital financing.

**Unit VI: Convertibles, Exchangeables and Warrants**  
8 hours  
Convertible securities: conversion price and conversion ratio, conversion value and premium over conversion value, other features, financing with convertibles, forcing conversion; value of convertible securities: debt-plus-option characteristic, straight bond value, premiums, relationship among premiums; exchangeable bonds: features, use in financing; warrants: features, valuation of a warrant, premium over theoretical value, and relationship between values.

**Unit VII: Capital Structure Determination**  
8 hours  
A conceptual look: net operating income approach, traditional approach; the total-value approach: arbitrage support; presence of market imperfection and incentive issues; the effect of taxes; taxes and market imperfection combined; financial signalling; and pecking order approach.

**Basic Texts**


**References**

Course Objectives
The purpose of the course is to provide students the principles and practices of microfinance institutions and microfinance services. The course also emphasizes on improving skills of the students to prepare microenterprises business plan for self-employment opportunities.

Course Description
This course provides an understanding of the basic principles, practices and services of microfinance industry. It begins with an introduction to microfinance in general and microfinance lending models in particular. Then it proceeds to discussion of various types microfinance institutions and explores their role in development of different sectors of an economy. The course also gives an overview of regulatory regime of microfinance in Nepal. Finally, it deals with entrepreneurship and develop business plan suitable for micro financing.

Course Outcomes
By the completion of this course, the students should be able to:
• explain the nature of microfinance and microfinance models;
• identify the role of microfinance institutions in social and economic development;
• choose appropriate model of microfinance institutions and develop microfinance products;
• familiarize with the microfinance programs in Nepal and appreciate their role in different aspects of national development;
• understand the rules and regulations of microfinance industry in Nepal and apply them in the establishment and operation of microfinance institutions in Nepal;
• prepare micro/ small enterprise business plan; and
• demonstrate ability to conduct the case studies of microfinance institutions.

Course Contents

Unit I: Introduction to Microfinance  6 hours
Concept and meaning of microfinance; history of microfinance; need of microfinance; key principles of microfinance; microfinance client; microfinance products: microcredit, micro saving, micro insurance, payment and transfers; and distinction between traditional financing and micro financing.

Unit II: Micro Entrepreneur and Microfinance  6 hours
Concept and importance of micro enterprises and entrepreneurs; business plan for micro enterprises, preparation of business plan.

Unit III: Microfinance Credit Lending Models  6 hours
Individual lending model; Grameen Bank solidarity lending model; village banking model; cooperative model; self-help group model; rotating savings and credit association, and lending models in Nepal: wholesale lending – RSRF and RMDC, retail lending.
Unit IV: Microfinance Institutions  
6 hours
Objectives of the microfinance institutions; importance of microfinance institutions; attributes of a good microfinance institutions; institutional types; formal financial institutions; semiformal financial institutions; and informal financial providers.

Unit V: Microfinance and Development  
4 hours
Microfinance and women empowerment; microfinance and health; microfinance and microenterprise development; microfinance and education; microfinance and networking; micro insurance policies and practices; and challenges and way outs.

Unit VI: Microfinance in Nepal  
8 hours
National microcredit policy; poverty and microfinance in Nepal; development of microfinance sector in Nepal; preview of microfinance models in Nepal; and critical elements of success in Nepal's micro financing.

Unit VI: Regulations of Microfinance Institutions  
6 hours
Need for regulation; regulations of microfinance industry and small enterprises: registration, operation and reporting; regulating authorities; and relevant acts and byelaws.

Unit VII: Processes and Interest Rates for Microfinance  
6 hours
Sources and process of microfinance; Challenges and difficulties in the process; Cost of finance: interest rate, subsidy schemes and plans, transaction costs for micro entrepreneurs, challenges in costs and interest rate, and way outs.

References
7. Sharma, P. R. Sustainability of microfinance institutions: an opinion survey. Pokhara: Team Organizing Local Institution.
FIN 433 Investment Management

Course Objectives
The course aims to provide students the fundamental knowledge on investing in securities. Specifically, it aims at enabling students to understand financial markets, identify securities for investment, estimate risk and return from the securities and appraise them to form portfolio for investment.

Course Description
This course being the first course in investments begins with a broad overview of investment environment and covers different investment alternatives and their markets. Then it deals with the risk and return of an individual asset as well as that of portfolios, and the selection of optimal portfolio. It discusses how assets are priced by using capital assets pricing model. Finally, it deals with how debt and equity securities are valued for investment decision making purpose.

Course Outcomes
By the end of this course, students should be able to:

- understand investment environment in which they have to undertake investment decisions;
- classify assets on the basis of their features for investment purpose;
- construct stock market indexes and interpret them;
- understand how securities are issued in the market and how they are traded in exchanges;
- calculate risk and return on of an individual asset and that of a portfolio;
- diversify risk by creating efficient portfolios;
- price securities using capital assets pricing model;
- value bonds and calculate yields on bonds; and
- value common stocks using dividend discount models and price-earning models.

Course Contents

Unit I: Investment Environment  
Meaning of investment; investment alternatives; securities markets; securities market institutions; investment process; the risk-return trade-off; ethical issues in investing, and Nepalese investment environment.

Unit II: Assets Classes and Financial Instruments  
The money market: treasury bills, certificates of deposit, commercial paper, bankers’ acceptance, Eurodollars, the Libor rate, yield on money market instruments; the bond market: treasury notes and bonds, inflation-protected treasury bonds, federal agency bonds, international bonds, municipal bonds, corporate bonds, mortgages and mortgage-backed securities; equity securities: common stock – characteristics and listing, preferred stock, depository receipts; stock and bond market indexes: stock market indexes – price-weighted index, value-weighted index, equally-weighted index; Nepal Stock Exchange index, bond market indicators; and derivative markets.
Unit III: Securities Markets 6 hours
Concept of securities markets; issue of securities; privately held firms and publicly traded companies; shelf registration; initial public offerings; trading of securities; types of markets; types of orders; trading mechanisms; the rise of electronic trading; ECNs; new trading strategies; globalization of stock markets; trading costs; buying on margin; short sales; functions of Nepal Stock Exchange; and role of Nepal Securities Board.

Unit IV: Risk and Return 6 hours
Concepts of risk and return; measuring investment returns: holding period return, returns over multiple periods, annualizing rates of return, expected return, time series of return; inflation and real rates of return; measuring risk: variance, standard deviation, coefficient of variation; portfolio return and risk of a portfolio of risky and risk-free assets.

Unit V: Efficient Diversification and CAPM 8 hours
Diversification and portfolio risk; asset allocation with two risky assets; covariance and correlation; the risk-return trade-off with two-risky-assets; the mean-variance criterion; the optimal risky portfolio with a risk-free asset; efficient diversification with many risky assets; the efficient frontier of risky assets; choosing the optimal risky portfolio. The Capital Asset Pricing Model: the model, assumptions, implications, and the security market line.

Unit VI: Bond Prices and Yields 8 hours
Bond characteristics; treasury bonds and notes; corporate bonds; international bonds; innovation in the bond market; bond pricing; bond pricing between coupon dates; bond pricing in excel; bond yields: yield to maturity, yield to call, realized compound return versus yield to maturity; bond prices over time; yield to maturity versus holding-period return; zero-coupon bonds and treasury STRIPS; after-tax returns; default risk and bond pricing; junk bonds; determinants of bond safety; bond indentures; yield to maturity and default risk; credit default swaps.

Unit VII: Equity Valuation 8 hours
Valuation by comparables; limitations of book value; intrinsic value versus market price; dividend discount models; the constant-growth DDM; stock prices and investment opportunities; life cycles and multistage growth models; price–earnings ratios: the price–earnings ratio and growth opportunities; pitfalls in P/E analysis; other comparative valuation ratios; free cash flow valuation approaches; comparing the valuation models; limitations of DCF models.

Basic Text

References
FIN 436 Fundamentals of Financial Derivatives

Course Objectives
The objective of the course is to familiarize students with the basic financial derivative instruments and their pricing principles. In particular, this course focuses on the economics of pricing derivative instruments, such as option, future, forward, swap. This course also enables to design the strategies using the different types of financial instruments for hedging risk.

Course Description
This course is the basic course in financial derivatives. Therefore, it begins with an introduction to financial derivatives and derivative markets and moves to basic principles of options and option pricing. Then it deals with forward and future markets, swaps, and over-the-counter derivative instruments; and finally, deals with derivative markets in the context of Nepal.

Course Outcomes
By the end of this course, students should be able to:
- understand basic concepts, theories and practices related to derivative securities and derivative markets;
- understand option related terminologies, interpret option quotations and calculate payoff from option positions;
- value options using binomial and Black-Scholes-Merton option valuation models;
- pricing forward and future contracts and use them for hedging against risk;
- understand the significance of various swaps;
- familiarize with over-the-counter derivative instruments;
- calculate the value of different types of derivative instruments;
- analyze options, swaps, forwards and futures for designing investment strategies; and
- understand the derivative markets in Nepal.

Course Contents

Unit I: Introduction 5 hours
Concept and development of derivatives and derivatives markets; derivative markets instruments; core concepts in financial and derivative markets; spot and derivative markets; role of derivative market; myths in derivative markets; ethics in derivative markets; career in derivative markets; uses of derivatives in risk management.

Unit II: Structure of Option Markets 5 hours
Option terminologies; development of options markets; call and put options; over-the-counter options market; exchange-listed option trading; mechanics of trading; option quotation; types of options; transaction costs in option trading; regulation of option markets.

Unit III: Option Pricing Principles and Model 12 hours
Principles of call and put option pricing; call-put parity; Binomial options pricing model: features, single and multi-period European call and put binomial model; Black-Scholes-Merton options pricing model: assumptions, formula, factors affecting option price.
Unit IV: Forward and Future Contracts  
12 hours
Development of forward and future markets; forward vs. future markets; future traders; mechanics of future trading; principles of pricing forwards and futures: interest, cost of carry, convenience yield, and risk; difference between forward and future prices and the sources of difference; hedging with forward and futures: basis, short and long hedging, hedge ratio, and the risk of hedging.

Unit V: Swaps  
5 hours
Concept and nature; features of swaps; introduction to interest rate swaps, currency swaps and equity swaps.

Unit VI: Over-the-Counter Products  
4 hours
Interest rate options: caps, floors and collars; swap options; exotic options; credit derivatives: credit default swap, credit default exchange swap, credit spread derivatives, total return swap and credit-linked note; difference between securitization and credit derivatives

Unit VII: Derivative Markets in Nepal  
5 hours
Development of derivative market in Nepal; instruments traded in the market; mechanics of trading; regulation of derivative markets in Nepal; issues in derivative markets in Nepal.

Basic Texts

References
FIN 438 Trade Finance

Course Objectives
This course aims to provide students the basic understanding of important concepts and practice of trade finance. The course also equips students with the essential theoretical knowledge and practical skills to properly manage trade finance.

Course Description
This course focuses on both theoretical aspect and practical aspect of trade finance. This course covers introduction to trade finance, theories of international trade, clean payment transactions, documentary collection and documentary credit, important trade documents, pre-shipment trade finance and post-shipment trade finance, forfeiting and factoring, bank guarantees and domestic trade finance, and risk management.

Course Outcomes
By the end of this course, students should be able to:
- understand concept, scope, importance and suppliers and users of trade finance, and methods of payments international trade finance;
- understand the international trade theories;
- analyze the methods of clean payments and apply the different methods of clean payments in international trade;
- understand the concept of different aspects of documentary collection and credit, and handle the documentary collection and credit processes;
- handle and manage the important trade documents;
- understand the basic concepts of pre-shipment and post-shipment trade finance and manage the pre-shipment and post-shipment trade finance;
- understand the theoretical aspects of forfeiting and factoring and apply the different models of factoring to finance the trade;
- describe the procedures of bank guarantee and manage the domestic trade finance; and
- analyse and manage the transport management risk, credit management risk and foreign exchange management risk.

Course Contents
Unit I: Introduction  6 hours
Concept, scope and importance of trade finance; types of trade finance: domestic trade finance and international trade finance; providers of trade finance: suppliers, banks, syndicates, trade finance houses and buyers; users of trade finance: producer, manufacturer, importers, traders, and exporters; and methods of payment in international trade.

Unit II: Theory of International Trade  4 hours
The theory of absolute advantage; the theory of comparative advantage; the Heckcher-Ohlin theory; and the factor-price equalization theory.

Unit III: Clean Payment Transactions  6 hours
Cash-in-advance: characteristics of cash-in-advance, methods of cash-in-advance - wire transfer, credit card, payment by check, when to use cash-in-advance terms; open account:
characteristics of open account, offering open account terms in the competitive markets - export working capital financing, government guaranteed export working capital program, export credit insurance, export factoring, and forfeiting.

Unit IV: Documentary Collections and Documentary Credit 8 hours
Documentary collection: introduction, exporter and exporter's bank, importer and importer's bank, dishonour, protest bill, settlement of bill, risks, usance D/P bill; documentary credit: introduction, parties to letter of credit, interbank communication, process details, types of letter of credit - revocable L/C, irrevocable L/C, confirmed L/C, sight credit and usance credit, back to back letter of credit, transferable L/C and standby L/C, calculation of fee and reimbursement, risk associated with the opening import L/C; regulatory requirements; trade control requirement; and exchange control requirements.

Unit V: Important Trade Documents 4 hours
Trade documents: airway bill, bill of lading, certificate of origin, combined transport documents, commercial invoice, draft (bill of exchange), insurance policy certificate, insurance policy, insurance certificate, packing list/specification, and inspection certificate.

Unit VI: Pre-shipment and Post-shipment Trade Finance 5 hours
Pre-shipment trade finance: types of pre-shipment finance, requirement for getting packing credit, different stages of pre-shipment trade finance, and special cases; post-shipment trade finance: features, financing of various types of exports, buyer's credit, supplier's credit, types of post-shipment finance, and option for exporters.

Unit VII: Forfeiting and Factoring 5 hours
Brief history of forfeiting, documentary requirement, fee type description, factoring, different models of factoring, benefits of factoring, operating process of factoring, and bill discounting versus factoring.

Unit VIII: Bank Guarantees and Domestic Trade Finance 3 hours
Types of bank guarantee; general guidelines and procedures of bank guarantee, standby letter of credit, and co-acceptance of bill; channel financing, and vendor financing.

Unit IX: Risk Management 7 hours
Transport risk management: scope of coverage, specialist covers, seller's/buyer's contingent interest insurance, consequential loss insurance, charter's liability insurance; credit risk management: concept of credit risk management, types of contract, credit insurance, payment risk, bad debt protection and benefits of credit cover; and foreign exchange risk management options: non-hedging forex risk management technique, forex forward hedges, and forex option hedges.

References
FIN 471 Marketing of Banking and Insurance Services

Course Objectives
This course aims to develop students’ understanding of the specific nature and problems of marketing of financial services with a view to develop students’ skill in designing a plan and program for marketing of banking and insurance products and services.

Course Description
This course deals with an introduction to basics of service marketing, and financial service marketing, segmentation, targeting and positioning strategies applicable to financial services, preparation of marketing plan, key decision areas related to product, pricing, distribution, and promotions of financial services, and issues related to retail, corporate and rural banking.

Course Outcomes
By the end of this course, students should be able to:
- understand basic concepts, theories and practices related to marketing of financial services;
- understand financial marketing practices, marketing planning process, buyer behavior.
- implement market segmentation, market targeting and positioning for financial services;
- analyze the product, price, distribution and promotion strategies for financial services; and
- understand the significance of corporate banking, retail banking, and bank marketing in rural areas.

Course Contents

Unit I: Introduction 6 hours
Concept and nature of service products; difference between services and goods; strategic implications of the unique nature of service products.; nature of financial services; nature of services marketing; marketing concept and four pillars of bank marketing; services marketing mix (7ps); and marketing of financial products and services in Nepal.

Unit II: Understanding the Financial Consumer 6 hours
Need to understand customer behavior in financial institutions; types of financial customers – institutional and individual; buying process of institutional and individual customers; factors affecting selection of bank and insurance services; and know your customers (KYC) guidelines of NRB.

Unit III: Strategic Marketing Planning for Banks and Insurance 8 hours
Financial customer segmentation; target marketing and brand positioning; concept of strategic marketing planning; types of marketing plan; elements of marketing plan (SWOT analysis, competitive analysis, marketing objectives, strategy formulation, implementation, control and feedback.)
Unit IV: Financial Product Decisions 8 hours
Concept of financial service products; product levels and hierarchy; products systems and its mixes; role of product managers; new product development; new product development process; the product life cycle; and innovation diffusion and adoption process.

Unit V: Pricing Decisions 8 hours
Concept and role of pricing strategy; challenges of pricing of financial services; pricing and bank’s profitability; approaches of pricing (cost based, competition based, value based); different pricing strategies (penetration, skimming, promotional, relationship, price bundling, risk pricing); factors affecting pricing decision; and pricing of insurance products.

Unit VI: Distribution Decisions 6 hours
Concept and key role of distribution channel strategy in financial services; options of distribution channels; concept of branches; face to face sales channels; alternative delivery channels; telephone banking; mobile banking; internet banking, multichannel banking; branch less banking; insurance agents and their roles and responsibilities; and distribution channel in insurance: bancassurance, agents, partners.

Unit VII: Promotion Decisions 4 hours
Objective of marketing communication; promotional tools; advertising; planning promotional campaign; media selection; measuring advertising effectiveness; public relations; sponsorship and events; direct marketing; internet as a marketing tool; and customer relationship marketing.

Unit VIII: Marketing Strategy for Retail, Corporate, and Rural Customers 8 hours
Concept of retail banking; factors affecting retail banking; retail banking practices in Nepal; credit cards and its marketing; difference between retail banking and commercial banking; corporate customer’s needs; product and services for corporate customers; rural customers and their need; overview of financial inclusion; and concept of microfinance in Nepal.

Basic Texts

References
1. Pezzullo, Mary Ann. Marketing financial services. American Bankers Association, (Published for The Indian Institute of Bankers), Macmillan.
Course Objectives
The objective of the course is to provide students with the understanding of Information Technology (IT) and its application in banking and insurance sector. The course focuses on the understanding information system specific to banking and insurance services. This course also attempts to help students understand and cope with emerging trends in IT and IT-related risks.

Course Description
The course begins with the introduction of Information Technology, Information Systems and different types of information system including TPS, MIS/DSS, ESS, KMS and AI based systems. The course also covers IT systems used especially in banking and insurance sector that includes EFT, RTGS, SWITCHING, Payment and clearing, E-commerce, and related system implemented in local context. This course also deals with risk posed by IT to e-banking and e-insurance systems.

Course Outcomes
By the end of this course, students should be able to:
- understand basic concepts, theories and practices related information systems;
- understand basics of core banking and core insurance systems and their implementations;
- explain basics of EFT, RTGS, SWITCHING and Payment Systems;
- explain basics of interbank systems, e-delivery channels for insurance and banking sector;
- identify different risks related to information systems and different mitigation measures applied to protect organization’s information systems; and
- demonstrate the knowledge of IT related local regulatory framework.

Course Contents
**Unit I: Introduction** 6 hours
Introduction of information systems (IS); IS components; qualities of information; evolution of IS; IS and level of management; IS for banking and insurance value chain; IS and next generation banking; emergence of alternative and electronic delivery channels; concept of intranet; and internet and extranet.

**Unit II: IT Enabled Banking Solutions** 12 hours
Core banking solution; technology behind core banking solution; core system for insurance companies; functional modules in core banking software; functional modules in insurance systems. Concept of payment and settlement systems: SWIFT and interbank fund transfer systems, and electronic cheque clearing systems; banking and insurance for the poor; technology for value chain financing for financial inclusion; and IT for anti money laundering (AML).

**Unit III: Implementing IT Enabled banking solutions** 6 hours
Core system planning; requirement analysis and specification; core system design; system testing/UAT; system conversion for core systems; system maintenance; system performance
evaluation and review; hardware, software and IT services selection factors; and change management practices during IS implementation for banking and insurance sector.

**Unit IV: Emerging IT trends in Banking and Insurance**  
10 hours  
Concept of electronic wallet; stored value account systems; mobile payments; card technology (debit, credit, prepaid); real time gross settlement (RTGS); mobile application for E-banking and E-insurance; data mining and business intelligence for banking and insurance; anomaly and fraud detection; and SMS and mobile delivery options for banking and insurance companies.

**Unit V: Security of E-banking and E-insurance**  
6 hours  
Need to regulation for electronic banking/insurance; risks posed by IT in banking and insurance; security challenges to IT systems and prevention measures; controls in core systems; controls in ATM operations; controls in mobile systems; controls in internet banking systems; concept of business continuity planning and disaster recovery planning; audit of information systems; and requirement of PCI-DSS and PA-DSS standards.

**Unit VI: IT in Banking and Insurance – Local Regulatory Framework**  
8 hours  
NRB IT guidelines; national payment system development strategy; settlement of payments; retail systems; government payments; securities depository; clearing and settlement mechanisms; interbank money market; international remittances; oversight of the national payments system; co-operative framework for the payments system; and E-banking guidelines.

**References**

FIN 473 Special Topics in Insurance

Course Objectives
The aim of this course is to provide students an opportunity to learn emerging issues in special areas of insurance. It also aims to develop students’ skill in analyzing those issues and new products and processes in insurance business.

Course Description
This course is built on the core courses of insurances and covers special topics which were not addressed in those courses. The first part of the course covers governance of insurers, analysis of insurers’ financial statements and performance indicators including benchmarking. The second part of the course covers social insurance, retirement plans, micro insurance, and deposit and credit guarantee in Nepal.

Course Outcomes
By the end of this course, students should be able to:
- understand the governance structure of insurers;
- analyze financial statements of the insurers against performance indicators and benchmarks;
- understand important aspects of social insurances;
- explain different types of retirement plans;
- understand basic principles and models of micro insurance delivery; and
- describe the deposit and credit guarantee provisions in Nepal.

Course contents

Unit I: Governance of Insurers 6 hours
Rights of share holders; protection of insured interest; board of directors: composition, qualification and appointment; executive management; disclosure; regulation and supervision; and current issues, innovations and emerging trend in areas of governance of insurers.

Unit II: Financial Statements of Insurers 6 hours
An overview of insurers’ financial statements and reports: balance sheet, income statement, annual report, long-form audit report; accounting standards and Beema Samiti’s directives governing the preparation and publication of insurers’ financial statements and reports; and current issues, innovations and emerging trend in financial statements of insurers.

Unit III: Performance Indicators and Benchmarking 6 hours
Performance indicators related to marketing and distribution; financial performance indicators: solvency margin, risk based capital, capital adequacy ratios, CARAMELS parameters of insurers, efficiency and client value; rating system in insurance; and current issues, innovations and emerging trend in performance indicators and benchmarking.

Unit IV: Social Insurance 8 hours
Concept of social protection and social insurance; social vs commercial insurance; old-age, survivors, and disability insurance; types of benefits; medicare; unemployment insurance; workers compensation; universal health insurance; social insurance practices in developed
and developing countries; status of social protection in Nepal; role of insurance companies in social insurance; and current issues, innovations and emerging trend in social insurance.

**Unit V: Retirement Plans**

8 hours

Fundamentals of private retirement plan; types of qualified retirement plans; defined-contribution plan; defined-benefit plans; profit-sharing plans; other types of plans; retirement plans for the self-employed; simplified employee pension; simple retirement plans; funding agency and funding instruments; and current issues, innovations and emerging trend in retirement plans

**Unit VI: Micro insurance**

8 hours

Micro insurance introduction and characteristics; basic principles; models of micro insurance delivery: partner-agent model, community based model, institutional options; micro insurance product: agriculture and live stocks; and current issues, innovations and emerging trend in micro insurance.

**Unit VII: Deposit Insurance**

6 hours

Fundamentals of deposit insurance; global practices of deposit insurance; Deposit and Credit Guarantee Corporation: establishment, objectives and functions; and current issues, innovations and emerging trend in deposit insurance.

**References**