

Fourth Semester Syllabus

S.No.	Course Code	Course Name	Credits	Remarks
1	FIN 204	Corporate Finance	3	
2	FIN 205	Financial Markets and Institutions	3	
3	MKT 201	Fundamentals of Marketing	3	
4	MGT 205	Operations Management	3	
5	IT 203	Management Information System	3	
Total			15 Credits	

FIN 204: Corporate Finance

Credits: 3
Lecture hours: 48

Course Objective

The objective of this course is to impart knowledge and analytical skills of corporate finance on raising and using funds most effectively by a corporate firm. At the completion of this course the students will: have a clear understanding of the financial environment in which they undertake financial decisions, estimate cash flows for capital budgeting purpose, be able to compute cost of capital and raise capital from the capital market by issuing securities, analyse the impact of leverage on capital structure, decide pay-outs to shareholders, evaluate working capital policy of the firm and understand corporate finance in international context.

Course Description

This course Corporate Finance complements the course Financial Management by incorporating the topics not covered in the Financial Management. Therefore, the primary motive is to equip students with concepts and skills required for financial decision making. The course begins with the description of financial environment in which financial decisions are made. Then it proceeds to the estimation of the cash flows of capital projects and discusses techniques to deal with the uncertainties of cash flows. The course further deals with the cost of capital and the methods of raising funds from the financial markets, and examines their relationship with the capital structure. Next, it moves to deal with two other important functions of corporate finance – dividend decision and working capital management. Finally, the course also briefly covers the international dimension of the corporate finance. The Nepalese perspective will be addressed at relevant places.

Course Details

Unit 1: Corporate Finance and Financial Environment

4 LHs

Overview of corporate finance; Financial markets and corporation; Ethics in financial decision making; Recent innovations in corporate finance.

Unit 2: Capital Investment Decision

8 LHs

Overview of capital investment decision; Project cash flows; Estimation of: Initial investment, annual net cash flows and terminal cash flows; Evaluating the project; Capital rationing; Scenario, sensitivity and simulation analysis.

Unit 3: Cost of Capital

6 LHs

Concept of cost of capital; Component cost of capital: Cost of debt, cost of preferred stock and cost of internal and external equity; Weighted average cost of capital; Break caused by retained earnings; WACC below and above break point; Divisional and project cost of capital.

Unit 4: Raising Capital

6 LHs

The financing life cycle of a firm: Early-stage financing and venture capital; Selling securities to the public: Initial public offering, further public offerings and rights offerings; Issuing long-term debt; Investment banking process.

Unit 5: Financial Leverage and Capital Structure Policy

5 LHs

Effect of financial structure on EPS and ROE; Measuring leverage: Degree of operating leverage and degree of financial leverage; optimal capital structure; Pecking-order theory; Capital structure and value of the firm.

Unit 6: Dividend Policy**5 LHs**

Cash dividend and dividend payment; Factors affecting dividend policy; Establishing a dividend policy; Stock dividend, stock splits and reverse stock splits; Stock repurchases

Unit 7: Working Capital Management**6 LHs**

Concept of working capital; Determinants of the size of working capital; Importance of working capital management; Operating cycle and cash conversion cycle; Current asset investment and financing policies.

Unit 8: International Corporate Finance**8 LHs**

Introduction; Foreign exchange markets and exchange rates; Purchasing power parity; Interest rate parity; International capital budgeting; Exchange rate risk; Political risk.

Basic Textbook:

Stephen A. Ross, Randolph W. Westerfield and Bradford D. Jordan. *Fundamentals of Corporate Finance*. New Delhi: Tata McGraw Hill Education Pvt. Ltd.

Reference Books:

James C. Van Horne and John M. Wachowicz, Jr. *Fundamentals of Financial Management*. New Delhi: Prentice-Hall Limited.

Eugene F. Brigham and Joel F. Houston. *Fundamentals of Financial Management*. Singapore: Thomson, South-Western.

FIN 205: Financial Markets and Institutions

Credits: 3
Lecture hours: 48

Course Objective

This course aims to create strong foundation of financial markets and institutions by familiarizing students with the role, functions, structure and regulation of financial markets and financial institutions; and develop the skill to determine the market interest rates, yield to different instruments of money market and capital market, and analyze financial performance of commercial banks.

Course Description

This course deals with fundamental aspects of financial institutions and markets. This course begins with the overview of financial markets and institutions and proceed to the determination of interest rates in the market. Then it discusses the role of central bank and monetary policy instruments. Next, it covers to two important components of the financial market – money market and capital markets. The course further deals with the major aspects of financial institutions – commercial banks and other lending institutions, insurance companies, mutual fund and pension funds and their roles in the economy. Finally, it also briefly touches upon the role of security dealers and investment bankers in the financial markets.

Course Details

Unit 1: Introduction

4 LHs

Overview of financial markets; Overview of financial institutions; Globalization of financial markets and Institutions; Financial markets and institutions in Nepal.

Unit 2: Determinants of Interest Rates

5 LHs

Interest rate fundamentals; Loanable funds theory: supply of loanable funds, demand for loanable funds, and equilibrium interest rate; Determinants of interest rates for individual securities; Term structure of interest rate; and Interest rate structure in Nepal.

Unit 3: The Central Bank and Monetary Policy

5 LHs

The central bank and its purposes; Monetary policy tools: open market operations, the discount rate, and reserve requirements; and Nepal Rastra Bank and monetary policy of Nepal.

Unit 4: Money Markets

5 LHs

Yields on money market securities; Money markets securities; Money market participants; and Money markets in Nepal.

Unit 5: Capital Markets

10 LHs

Bond market: Bond market securities and participants; Stock market: stock market securities, primary and secondary stock markets, stock market participants; Mortgage markets: Primary mortgage market, secondary mortgage market, participants in mortgage markets; Foreign exchange markets: foreign exchange markets and risk, foreign exchange rates and transactions; Capital market securities; Derivatives securities markets brief introduction; The role of securities firm and investment banks; and Capital markets in Nepal.

Unit 6: Commercial Banks and Other Lending Institutions**10 LHs**

Definition of commercial bank; Financial statements, and off-balance sheet assets and liabilities; Financial statement analysis using a return on equity framework; Regulation of commercial banks Saving associations; Saving banks; Credit unions; Finance companies; Development bank; and Micro-credit development banks; Classification and regulation of financial institutions in Nepal.

Unit 7: Insurance Companies**4 LHs**

Categories of insurance companies; Life insurance; Property-casualty insurance companies; Overview of insurance industry in Nepal; and Regulation and supervision mechanism in Nepal.

Unit 8: Mutual funds and Pension Funds**5 LHs**

Mutual funds: concept, types, NAV and fund operating expenses; Concept of pension funds; Types of pension plans – defined-benefit plan, defined-contribution plan, and calculation of retirement benefits under defined benefit plan and defined contribution plan; and Mutual fund and pension fund management in Nepal.

Basic Texts

Saunders, A. & Cornett, M. M., *Financial markets and institutions*. New Delhi: Tata McGraw Hill Education.

Reference Books

Kohn, M., *Financial institutions and markets*, New Delhi: Oxford University Press India.

Madura, J., *Financial institutions and markets*, New Delhi: Cengage Learning India Private Limited.

MKT 201: Fundamentals of Marketing

Credits: 3

Lecture Hours: 48

Course Objectives

This course aims to build students' understanding of the marketing process and principles and inculcate basic skills to analyze marketing decision situations.

Course Description

This foundation course on marketing deals on the operation of the marketing functions in a dynamic and competitive environment. It deals comprehensively on issues of emerging marketing practices and challenges. 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 Details

Unit 1: Introduction

LHs 6

Meaning of marketing. Evolution of the marketing philosophies - Basic principles of the production, product, selling, marketing, and holistic marketing concepts. Meaning and tasks of marketing management. Marketing challenges of the 21st century and firms' responses to the challenges. Concept, relevance and practices of relationship marketing, green marketing, and e-marketing. Components of the marketing mix for products and services.

Unit 2: Marketing Environment

LHs 4

Meaning and scope of marketing environment; Micro environment variables, and Macro environment variables; Reactive and proactive marketing. Marketing environment in Nepal.

Unit 3: Marketing Information System and Buyer Behavior

LHs 4

Concept and relevance of information in marketing decisions. Components of the marketing information system. Marketing research areas and process.

Unit 4: Buyer Behavior

LHs 6

Organizational buyer behavior – Buying process and influencing factors. Consumer behavior – buying process and influencing factors. Global consumer movements and consumer protection.

Unit 5: Segmentation, Targeting and Positioning Strategies

LHs 4

Concept, process, requirements, and levels of market segmentation. Bases for segmenting consumer and organizational markets. Segment evaluation, analysis and selection. Concept and types of positioning; product positioning process.

Unit 6: Product Decisions

LHs 8

Concept and levels of the product. Product classifications and marketing considerations. 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.

Unit 7: Pricing Decisions

LHs 6

Concept of price and pricing. Importance of pricing for the firm and the economy. Internal and external price factors. Pricing approaches-cost-based, demand-based, value-based and competition-based approaches. New product pricing decisions. Price lining and price adjustment decisions. Initiating and responding to price changes.

Unit 8: Distribution Decisions**LHs 4**

Concept and objectives of distribution. Channel functions and flows. Channel designs for consumer and industrial products. Channel selection factors. Channel conflicts and their resolution. Concept, nature and objectives of marketing logistics. Major logistics functions -transportation, warehousing, inventory management, order processing, and customer services decisions.

Unit 9: Promotion Decisions**LHs 6**

Concept and objectives of promotion. Marketing communication process and systems. Promotion mix components. Promotion mix determination factors. Advertising: Nature and objectives. Nature and relevance of personal selling. Nature and objectives of sales promotions. Sales promotion tools and techniques. Nature, objectives and tools of public relations. Concept, relevance and methods of direct marketing.

Basic Texts

Kotler, Philip, Gary Armstrong, Prafulla Agnihotri and Ehsan ul Haque. *Principles of Marketing: South Asian Perspective*. Prentice Hall of India, New Delhi, India.

Baines, Paul, Chris Fill and Kelly Page. *Essentials of Marketing*. Oxford University Press, New Delhi, India.

References

Koirala, K.D. *Fundamentals of Marketing*, M.K. Publishers and Distributors, Kathmandu, Nepal.

Kamarulzaman, Yusniza and Nor Khalidah Abu. *Principles of Marketing*, Oxford University Press, New Delhi, India.

MGT 205: Operations Management

Credits: 3

Lecture Hours: 48

Course Objective

This course aims to impart the basic knowledge, tools and techniques of operations management to students.

Course Description

Introduction to operations management. Operations strategy, Product and service design, Location decision and facility layout, linear programming , Aggregate planning , Inventory management and The quality system.

Course Details

Unit 1: Introduction

6 LHs

Meaning ,definitions, and objectives; The transformation process; Differences between production and service operations; Scope of operations management; Operations and supporting functions; Role of the operations manager; Production system: Intermittent and continuous; Key issues for operations managers; Historical evolution of operations management; Productivity: concepts, types , factors affecting productivity; Productivity measurement, concept on green productivity; Supply chain management (concept only).

Unit 2: Operations Strategy

3 LHs

Introduction to operations strategy; Operations strategy as a competitive weapon; Linkage between corporate, business and operations strategy; Components of operations strategy; Manufacturing strategies; Service strategies.

Unit 3: Product and Service Design

5LHs

Concept on product and service design; Product development process; Difference between product and service design; Emerging issues in product and service design; Value analysis, concurrent engineering and quality function deployment; Waiting line theory (Single channel only).

Unit 4: Locations decision and Facilities layout

5 LHs

Reasons and Importance of location decisions; Factors affecting location decision of service, and manufacturing organizations; Techniques of location analysis: Qualitative and quantitative analysis; Concept on layout; Types of layout: Product layout , process layout , cellular layout , fixed position layout; Designing process layout.

Unit 5: Linear programming

10 LHs

Introduction to linear programming; Graphical and simplex method; Introduction to duality and sensitivity analysis by using solver; Assignment model (only minimization case); Transportation model (Only minimization case: excluding loop formation).

Unit 6: Aggregate planning

4LHs

Concept on aggregate planning; Aggregate planning strategies; Planning options; Aggregate planning in services.

Unit 7: Inventory Management

4 LHs

Concept and importance; Inventory costs; Dependent and independent demand; Inventory systems- continuous and periodical; Basic EOQ Model (with and without discount); ABC classification.

Unit 8: The Quality System

8 LHs

Introduction to quality; Historical evolution of Total Quality Management; Definitions of quality; Philosophy, principles and concepts of Total quality management. Costs of quality; Quality

Control: Introduction, objectives, advantages; Statistical process control -Control charts- control charts for variable and attributes; JIT and Six Sigma; Quality Management System: ISO 9000 series; 7 tools for the quality.

Addendum: At least one case will be administered at the end of each chapter. The students will also complete a project work and a few other assignments as specified by the faculty member.

Class Lecture = 45 hrs.

Tutorials = up to 15 hrs.

Assessment = 3 hrs.

Reference Books

- Adam and Ebert (2007), *Production and Operations Management*, Fifth Edition, New Delhi: Prentice-Hall of India Private Limited
- Bajracharya P., Bajracharya S. and Maharjan B. (2007), *Production and Operations Management*, First Edition, Kathmandu: Quest Publication
- Chase, Jacobs, Aquilano and Agrawal (2006), *Operations Management for Competitive Advantage*, Eleventh Edition, New Delhi: Tata McGraw-Hill Publishing Company Limited
- Dahlggaard Jens. J., Kristensen K and Kanji G.K. (2002), *Fundamentals of Total Quality Management Process analysis and improvement*, London and New York: Taylor and Francis
- Gaither and Frazier (2002), *Operations Management*, Ninth Edition, Singapore: Thomson Asia Pte Ltd.
- Krajewski and Ritzman (2002), *Operations Management*, Sixth Edition, Delhi: Pearson Education (Singapore) Pte.Ltd
- Manandhar, K.D. and Shrestha, K.N. (2000) *Production and Operations Management*, Kathmandu: Valley Publishers
- Regmi, Joshi, Chaudhary and Fago (2003), *Production and Operations Management*, Second Edition, Kathmandu: Buddha Academic Enterprises Pvt.Ltd.
- Shrestha, S. and Silwal, D. (2000), *Production and Operations Management*, Kathmandu: Taleju Prakashan
- Stevenson W.J. (2014). *Operations Management*, Twelfth Edition, New York: McGraw-Hill Education
- Sthapit, Yadav, Tamang, Dhital and Adhikari, (2007), *Production and Operations Management*, Second Edition, Kathmandu: Asmita Books Publishers & Distributors

IT 203: Management Information System

Credit Hours: 3
Lecture Hours: 48

Course Objective:

The main objective of this course is to equip students with the new tools and techniques of management information system with a view familiarize them to the state-of-the-art-technology and its applications in managing information.

Course Description

This course contains Information Systems in Global Business Today, Global e-business and Collaboration, Information Systems, Organizations and Strategy, Ethical and Social Issues in Information Systems, Information Technology Infrastructure, Foundations of Business Intelligence: Databases and Information Management, Securing Information Systems, Building Information Systems.

Course Details

Unit 1: Information Systems in Global Business Today

LH 7

Opening Case: The New Yankee Stadium Looks to the Future

The Role of Information Systems in Business Today, New in management information system, Globalization Challenges and Opportunities. A Flattened World

The Emerging Digital Firm, Strategic Business Objectives of Information Systems

Dimensions of Information Systems

Interactive Session: Technology UPS competes Globally with information Technology

A business Perspective on Information Systems; complementary assets: Organizational capital and the eight business model

Hands-on MIS projects

Management Decision Problems; Improving Decision Making; Using Databases to analyze Sales Trends;

Case Study: What's the Buzz on Smart Grids?

Unit 2 : Global e-business and Collaboration

LH 7

Opening Case: America's Cup 2010: USA wins with information technology

Business Processes and Information Systems; business processes; Business improvement with information technology

Types of Business information systems; systems for different management Groups; systems for linking the enterprise

Interactive session: Organizations Domino's Sizzles with Pizza Tracker

System for Collaboration and teamwork

Interactive session: Management: Virtual meetings: Smart Management

The information systems function in business; the information systems department; organizing the information systems function

Hands-on MIS project

Management decision problems; improving decision making: Using a spreadsheet to select

suppliers; Achieving operational excellence: Using Internet Software to Plan Efficient Transportation Routes

Systems from a functional perspective: IT enables collaboration and teamwork; challenges of using business information systems; organizing the information systems function

Unit 3 : Information Systems, Organizations and Strategy

LH 7

Opening Case: Verizon or AT&T – which company has the best digital strategy?

Organizations and Information systems

How Information Systems impact organizations and business firms; economic impacts; organizational and behavioral impacts; the Internet and organizations; implications for the design and understanding of information systems

Using information systems to achieve competitive advantage; Porter' Competitive Forces Model; Information system Strategies for dealing with competitive forces; the Internet's impact on competitive advantage

Interactive Session: Organizations How much do credit card companies Know About You?

The Business value chain model

Using systems for competitive advantage: Management Issues; sustaining competitive advantage; Aligning IT with business objectives; Managing Strategic Transitions

Hands-on MIS Projects; Management Decision Problems; Improving Decision making: Using a database to clarify business strategy; improving decision making: Using web tools to configure and price an automobile

Unit 4: Ethical and Social Issues in Information Systems

LH 4

Opening Cases: Behavioral Targeting and Your Privacy: You're the Target

Understanding Ethical and Social issues related to systems

A model for thinking about ethical, social and political issues; five moral dimensions of the information age; key technology trends that raise ethical issues

Interactive session: Organizations The Perils of Texting

Interactive session: Technology Too much technology

Hands-on MIS Projects

Unit 5: Information Technology Infrastructure

LH 6

IT infrastructure and emerging technologies

Opening case: BART Speeds Up with a new IT infrastructure

IT infrastructure; Defining IT infrastructure; evolution of IT infrastructure; Technology Drivers of infrastructure evolution

Infrastructure components; computer hardware platforms; operating system platforms; enterprise software applications

Interactive session: technology New on the eTouch

Data Management and storage; networking/ telecommunications platforms; Internet Platforms; Consulting and System integration services

Interactive session: Organizations Is Green Computing Good for business?

Hands-on MIS project

Unit 6: Foundations of Business Intelligence: Databases and Information Management **LH 4**

Opening Case: RR Donnelly Tries to Master its data

Organizing Data in a traditional file environment; file organization concepts; problems with the traditional file environment

The database approach to data management: Database Management Systems; capabilities of database Management systems; designing database

Using databases to improve business performance and decision making; data warehouses; tools for business intelligence: Multidimensional data analysis and data mining

Interactive session: Technology: What can businesses learn from text mining?

Hands-on MIS projects

Unit 7: Securing Information Systems **LH 5**

Opening Case: You're on Facebook? Watch Out

System vulnerability and abuse: vulnerability; malicious softwares; hackers and computer crime; Internal Threats: employees;

Business value of security and control; legal and regulatory requirements for electronic records management; electronic evidence and computer forensics

Establishing a framework for security and control; information systems controls; risk assessment; security policy; disaster recovery planning and business continuity planning; the role of auditing

Hand-n MIS projects

Unit 8 : Building Information Systems **LH 8**

Opening Case: CIMB Group Redesigns Its Account Opening Process

Systems as Planned Organizational Change

Systems Development and Organizational Change • Business Process

Redesign

Overview of Systems Development

Interactive Session: Organizations Can Business Process Management Make a Difference?

Systems Analysis • Systems Design • Completing the Systems Development Process • Modeling and Designing Systems: Structured and Object-Oriented Methodologies

Alternative Systems-Building Approaches

Traditional Systems Life Cycle • Prototyping • End-User Development • Application Software Packages and Outsourcing

Interactive Session: Technology Zimbra Zooms Ahead with OneView

Application Development for the Digital Firm

Rapid Application Development (RAD) • Component-Based Development and Web Services

Hands-on MIS Projects

Text Book

Laudon, Laudon, "*Management Information Systems Managing the Digital Firm*", twelfth edition