

Fifth Semester Syllabus

S. No.	Course Code	Course Name	Credits	Remarks
1		Business Research Methods	3	
2		Fundamentals of Investment	3	
3		Business and Financial Law	3	
4		Business and Society	3	
5		Entrepreneurship and Small Business Management	3	
		Total	15 Credits	

RCH 201: Business Research Methods

Credit: 3
Lecture Hours: 48

Course Objectives

This course is an introduction on how to do business research. This course aims to extend and deepen the understanding of different research approaches and methodologies in order to prepare business students for their own research projects. This course will assist students in identifying, discussing and formulating a research problem, in selecting and applying appropriate research approaches and methods of inquiry (both quantitative or qualitative), and in presenting their results.

Course Description

Students will learn theoretical concepts that chart the connections among the various factors operating in any given situation that are integral to business research and the basic process of problem statement, literature review, hypothesis formulation, the principles of research design, measurement methods, sampling, data collection, data analysis and research proposal writing. Students will also be introduced to a range of relevant quantitative and qualitative business research techniques, including the applications of various analytical tools.

Course Learning Outcomes

On completion of this course the students will be able to:

- Define research and explain the types and nature of research;
- Demonstrate an understanding of the steps and process of scientific research;
- State the research problems and explain the different methods that can be used to state the problem;
- Write a literature review that synthesizes and evaluates literature in a specific topic area to justify the research questions;
- Develop research questions and hypotheses, and incorporate them into a methodologically sound research proposal for thesis/project;
- Describe different research designs and their characteristics, advantages and disadvantages;
- Assess measurement and scaling options to determine appropriate measures required to address specific research questions;
- Apply proper sampling designs and procedures to business research;
- Compare and contrast qualitative and quantitative research methods and the suitability of different methods of gathering data;
- Prepare research proposals and research reports by following all elements of research writing.

Course Details

Unit 1: Starting with Research

6 LHs

Definition and concept of research; Types of research; Scientific research: meaning and process; Features of scientific research; Application of scientific thinking in research; Emerging paradigms in research; Positivism vs. interpretiveism; Quantitative and qualitative approaches to research; Business research – nature, purpose, types and scope of business research; Ethics in research.

Unit 2: Creating Literature Review and Developing Theoretical Framework

5 LHs

Literature review: purpose and steps; Procedure of reviewing the literature; Sources of literature; Literature search through the internet and library; Format and guidelines for

presenting the literature review; Theoretical framework: concept and format; Research and theory: deduction and induction.

Unit 3: Defining Research Problem and Hypothesis Formulation

5 LHs

Research problem: definition, concept and steps in stating a problem; Setting objectives and research questions; Hypothesis: functions and types; Characteristics of good hypothesis statement.

Unit 4: Formulating the Research Design

6 LHs

Definition; Types of research design: exploratory, descriptive, developmental, case study, causal-comparative, and experimental research designs; Errors in research designs; Qualitative research: concept, basic assumptions and features; Qualitative research design.

Unit 5: Scaling and Sampling

5 LHs

Variables: concept and types; Measurement and scales: scale construction and attitude measurement; Scales and techniques commonly used in business research; Validity and reliability of measurement; Sampling: concept, probability and non-probability sampling; Sampling and non-sampling errors.

Unit 6: Identifying Data Sources, Developing Instruments and Collecting Data

8 LHs

Primary and secondary data: meaning and sources; Questionnaire: principles, components, types, construction process, pilot testing; Questionnaire; Research interviews; Sources of qualitative data: observation, participant observation, focus groups; E-research using internet and websites to collect data from individuals; Web surveys and e-mail surveys.

Unit 7: Analyzing Data

8 LHs

Getting data ready for analysis; Data processing; Presenting data in graphs and tables; Statistical analysis of data: descriptive and inferential statistics; Analyzing data using SPSS; Hypothesis testing; Errors in hypothesis testing – Type I and Type II errors; Methods of analyzing qualitative data.

Unit 8: Writing Proposals and Project Reports

5 LHs

Selection of research topics; Research proposals: functions, types and contents; Features of research proposal; Research report: concept, process, types and procedure for writing research reports; Components of the project report; Body of the project report; Documenting sources: APA style of citation and referencing; Essentials of good research report.

Basic Books

Bryman, A., & Bell, E. *Business Research Methods*. New Delhi: Oxford University Press.
Pant, P. R. *Business Research Methods*. Kathmandu: Buddha Academic Enterprises.

References

Cooper, D. R., & Schindler, P. S. *Business Research Methods*. New Delhi: Tata McGraw Hill.
Zikmund, W. G. *Business Research Methods*. New Delhi: Thompson.
Flick, U. *An Introduction to Qualitative Research*. New Delhi: Sage South Asia Edition.

FIN 206: Fundamentals of Investment

Credit: 3
Lecture Hours: 48

Course Objectives

This course introduces the essentials of investing. The course objective is to acquaint students with investment alternatives, securities trading mechanism, asset allocation decision procedures, principles of diversification, and ethical and professional standards in investment industry. The course will further support to develop basic skills in investment planning, securities analysis and portfolio management. The intent of the course is to enable students to demonstrate proficiency in fundamentals of securities markets and investment.

Course Description

This course provides a general introduction to the principles and practices of securities trading and investment management. Special emphasis is given to exploring the investment environment, securities markets operations, asset allocation decision and portfolio construction, basics of asset pricing theories, and analyzing bonds and equities in terms of prices and yields. The course also examines the investment decision making process of individual and institutional investors, and role and responsibilities of investment companies in portfolio management. The course further focuses on ethical conduct and professionalism in investment industry.

Course Learning Outcomes

On completion of this course the students will be able to:

- Define investment and investment process;
- Identify investment alternatives;
- Describe how securities are issued, and traded among investors;
- Explain how investors benefit from services offered by investment companies;
- Examine securities trading practices in Nepal;
- Relate investment objectives with asset allocation decisions;
- Demonstrate basic skills in portfolio construction and analysis;
- Demonstrate basic skills in assessing prices and yields of bond and equities;
- Describe the need for ethics and professionalism in investment industry, and identify the code of ethics and standards of professional conduct.

Course Details

Unit 1: Investment Environment

4 LHs

Investment concept; Asset classes: real assets, financial assets; Classification of financial assets: fixed income securities, equity securities, derivative securities; Financial markets and the economy; Investment process; Financial markets participants; Investment environment in Nepal.

Unit 2: Securities Markets

10 LHs

Organization of the securities market; Primary capital markets: government bond issues, municipal bond issues, corporate bond issues, corporate stock issues, private placements; Importance of secondary market; Market structure: types of market, types of orders, trading mechanism, the rise of electronic trading, electronic communication networks (ECNs); Trading mechanism of Nepal Stock Exchange (NEPSE); Stock market indexes: concept, need, methods of calculation, index maintenance after corporate events, stock market indexes in Nepal; Bond market indicators; Trading costs; Buying on margin; Short sales; Regulation of securities market: regulatory approaches, role and responsibilities of Securities Board of Nepal (SEBON); Self-regulation; Insider-trading.

Unit 3: Investment Companies**6 LHs**

Concept and need; Organization and management of investment companies; Types of investment companies; Mutual funds investment policies; Costs of investing in mutual funds: fee structure, mutual fund returns; Exchange-traded fund (ETF); Specialized investment funds (SIFs); Hedge funds versus mutual funds; Mutual fund investment performance; Mutual funds in Nepal: organizational structure, market size, financial reports.

Unit 4: Introduction to Portfolio Theory**12 LHs**

Risk and return: measurement of returns, inflation and the real rate of interest, risk and risk premiums, portfolio expected return and risk; Asset allocation across risky and risk-free portfolios: risk-free asset, capital allocation line, risk aversion and capital allocation; Passive strategies and the capital market line: historical evidence on the capital market line, costs and benefits of passive investing; Efficient diversification: diversification and portfolio risk, asset allocation with two risky assets, optimal risky portfolio with a risk-free asset, efficient diversification with many risky assets, single-index stock market, risk of long-term investment; Capital asset pricing model (CAPM): concept, assumptions and implications, security market line, applications of the CAPM.

Unit 5: Bond Prices and Yields**5 LHs**

Bond characteristics; Bond pricing: bond pricing method, bond pricing between coupon dates; Bond yields: yield to maturity, yield to call, realized compound return; 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; Yield curve; Interest rate risk.

Unit 6: Equity Valuation**5 LHs**

Valuation by comparables; Intrinsic value versus market price; Dividend discount models (DDM): constant-growth DDM, stock prices and investment opportunities, life cycles and multistage growth models; Price-earnings Ratio: price-earnings ratio and growth opportunities, price-earnings ratios and stock risk, pitfalls in price-earnings analysis, combining price-earnings analysis and the DDM, other comparative valuation ratios; Free cash flow valuation approaches; Comparing the valuation models; Problem with discounted cash flow models; The aggregate stock market.

Unit 7: Investors and the Investment Process**4 LHs**

Investment management process; Investor objectives: individual investors, professional investors, life insurance companies, non-life insurance companies, banks, endowment funds; Investor constraints: liquidity, investment horizon, regulations, tax considerations, unique needs; Investment policies: top-down policies for institutional investors, active versus passive policies; Monitoring and revising investment portfolios.

Unit 8: Ethical and Professional Standards**2 LHs**

Ethics and the investment industry; Code of ethics; Standards of professional conduct.

Basic Book:

Bodie, Z., Kane, A., & Marcus, A. J. *Essentials of Investments*. New York: McGraw-Hill Education.

References:

CFA Institute. *Standards of Practice Handbook*. Charlottesville, Virginia: CFA Institute.

Reilly, F. K., Brown, K. C., & Leeds, S. J. *Investment Analysis and Portfolio Management*. Andover, Massachusetts: Cengage Learning.

MGT 222: Business and Financial Law

Credit: 3
Lecture Hours: 48

Course Objectives

The objective of this course is to provide students with basic understandings of the fundamental concept, principles and legal frameworks of business and financial laws so as to prepare them as managers capable of evaluating decisions from legal perspective and resolving legal issues for effective management of financial operations in the organization.

Course Description

This course is an introduction to the laws relating to business and finance. This course aims to familiarize students regarding the concept of business law with reference to financial aspect with the relevant principles and various legal provisions of laws relating to business and finance. The course covers the laws relating to the business and financial system like general principles of contract, including some specific contracts (bailment and pledge, indemnity and guaranty, sale of goods); company: incorporation, operation, auditing and liquidation of business organizations); corporate finance (share capital and loan capital); operations of banks and financial institutions, cooperatives and insurance companies.

Course Learning Outcomes

On completion of this course the students will be able to:

- Familiarize the concept and nature of law, business laws and financial laws;
- Understand fundamental concept, principles and legal frameworks of business laws (general and specific contracts and corporate law);
- Write up contracts that meet legal provisions as specified in Muluki Civil Code,
- Meet regulatory requirements during incorporation, operation and liquidation of companies as per Companies Act and other relevant regulations;
- Understand fundamental concept, principles and legal frameworks of financial laws;
- Understand major provisions regarding the formation and functioning of Securities Board and the regulation of the securities market as per Securities Act and other relevant regulations;
- Understand the major provisions of acts (NRB Act, Banks and Financial Institutions Act, Anti-money Laundering Act, Banking Offence and Punishment Act) related to the operations and regulations of banking and financial institutions.

Course Details

Unit 1: Introduction to Business and Financial Law

5 LHs

Law: meaning, characteristics and types; Dispute settlement systems: court system and ADR (Arbitration); Business law: nature, characteristics and sources of Nepalese business law; Financial law: nature and characteristics of financial law.

Unit 2: The Contract Law of Nepal

15 LHs

Concept of law of obligation and contract; Meaning and types of contract and formation of contract; Difference between contract and agreement; Essential elements: offer and acceptance, intention to create legal relations; Competent parties, consideration, free consent, lawful objective, performance of contract, termination of contract, breach of contract and remedies for breach of contract; Specific Contracts: bailment and pledge, indemnity and guaranty, sale of goods (Part-V, Chapters 6, 7 and 8 of Muluki Civil Code, 2074).

Unit 3: The Company Law of Nepal**10 LHs**

Nature and incorporation of Company; the BoD and General Meetings (AGM / EGM); Auditing of a company (Chapters 2, 3, 4, 5, 6, 7, 8 of Company Act); Liquidation of a Company (Chapters 10, 11 of Company Act, 2063 and Chapter 5 of Insolvency Act, 2063); Sources of capital: share and debenture (Chapter 4 of Company Act 2063).

Unit 4: Capital Market and Investment Law of Nepal**6 LHs**

Securities law: concept and meaning; Formation, function, powers and duties of Securities Board; Regulation, monitoring, inspection, inquiry of Nepalese security market (Preamble, Chapters 2, 3, 4, 5 and 8 of Securities Act, 2063).

Unit 5: Banking Law of Nepal**8 LHs**

Evolution of banking laws in Nepal; Banking Legislations: NRB Act 2058 Banking Regulation in Nepal (Preamble, Chapter 9 of Nepal Rastra Bank Act, 2058); Bank and Financial Institutions Act 2073 (Preamble and Chapter 7 and relevant sections of Bank and Financial Institutions Act, 2073); Anti-money Laundering Act 2064 and Banking Offence and Punishment Act 2064 (Objectives and major provisions of these Acts); and; Financial Co-operatives: meaning and importance (Chapters 2 and 3 of Cooperatives Act, 2074).

Unit 6: Insurance Law of Nepal**4 LHs**

Concept and meaning of risk transfer and insurance Contract; Insurance law of Nepal: objectives, formation, function, powers and duties of Insurance Board and regulation of insurance companies in Nepal (Preamble, Chapters 2, 3, 4, 5 and relevant sections of Insurance Act 2049).

Basic Books

Albuquerque, D. *Legal Aspects of Business (Texts, Jurisprudence and Cases)*. New Delhi: Oxford University Press.

Kalika, S. N. *Business Law: Theory and Practice for BBA*. Kathmandu: Buddha Publication.

References

Rose, P. S. *Commercial Bank Management*. New York: McGraw Hill.

Kalika, S. N. *Banking Law in Nepal*. Kathmandu: Buddha Publication.

Tannan, M. L. *Banking Law and Practice in India*. Gurgaon: LexisNexis.

Upreti, B. R. *Introduction to the Company Law*. Kathmandu: FREEDEAL.

Government of Nepal, Arbitration Act, 2055

Government of Nepal, Banks & Financial Institutions Act, 2073

Government of Nepal, Companies Act, 2063

Government of Nepal, Insolvency Act, 2063

Government of Nepal, Insurance Act, 2049

Government of Nepal, Insurance Rules, 2049

Government of Nepal, *Muluki* Civil Code (Part-V), 2074

Government of Nepal, Nepal Rastra Bank Act, 2058

Government of Nepal, Securities Act, 2063

Government of Nepal, Asset laundering Prevention Act, 2064

Government of Nepal, Banking Offence and Punishment Act, 2064

SOC 203: Business and Society

Credit: 3
Lecture Hours: 48

Course Objectives

The main purpose of the course is to develop an understanding of the complexity of the interaction between business and society. The emphasis of this course is on ethical and social issues affecting society's stakeholder groups - customers, owners, employees, communities, and environmentalists and the challenges for business in the future.

Course Description

The course focuses on the role of business in society and on the specific ways in which this role changes. Students will gain an understanding of the role of business in society, the capacity to use knowledge to effectively analyze, debate, and solve society-related problems in a socially responsible and ethical manner, and the ability to successfully communicate potential solutions across stakeholders. Topics included in the course are: concept of business-society relations, primary and secondary stakeholder groups; the impacts of various organizational-stakeholder relationships; social responsibility of business; the biases, influences, and reasons that drive stakeholder perspectives; changing environmental forces that influence the business and society relations; ethical and good governance practices.

Course Learning Outcomes

On completion of this course the students will be able to:

- Become aware of the broader context for doing business through exposure to external stakeholders, including government and civil society;
- Define the concepts of business and society relations and their impact on business;
- Explain the mechanisms and processes of the interrelationship between business and society;
- Describe the various primary and secondary stakeholder groups, and their nature and composition;
- Analyze organizational issues from multiple stakeholder perspectives;
- Discuss the changing environmental forces that influence the business and society relations;
- Explain the concepts and practices of corporate social responsibility and good governance;
- Recognize ethical issues and understand their implications for business and stakeholders.

Course Details

Unit 1: Social Context of Business

8 LHs

Meaning of society; Components of human society: population, culture, material products, social organization, and social institutions; Basic elements of society; Culture and society; Social change: concept and characteristics; Environmental concerns of society; Changing expectations of society; Diversity in society and women at work; Social issues in Nepal; Role of business in society.

Unit 2: Business and Society Relationship

9 LHs

Concept of business-society relations; Need to understand business-society relationship; Forces shaping business and society relationship: changing social expectations, globalizations, government regulations, explosion of new technology and innovation, and growing emphasis on ethical values; Business and society relations: a systems perspective; Changing workplace scenario: external and internal factors influencing the workplace system.

Unit 3: Stakeholders of Business**8 LHs**

Concept; Classification of stakeholders: primary and secondary shareholders; Analysis of stakeholders interests and rights; Stakeholders power and influence on business activities; Stakeholder theory; Stakeholders activism; Managing stakeholder related issues, complaints and problems; NGO activism; Stakeholder analysis matrix; Stakeholder management practices in Nepal.

Unit 4: Business Ethics**6 LHs**

Concept of business ethics; Elements of ethics; Common ethical problems in business; Causes of ethical problems; Ethics of business professionals; Codes of ethics; Methods of making ethics work in organizations; Principle-based international standards; Ethics-related training and awareness building programs; Ethical audits; Whistle blowing; Impact of business ethics on business and society; Ethical business practices and issues in Nepal.

Unit 5: Corporate Social Responsibility**9 LHs**

Concept of CSR; Relevance and importance of social responsibility of business; Basic elements of CSR; Drivers of CSR; Social responsibility theory; CSR framework and strategy; CSR and ecological environment; Social reporting and auditing: concept and techniques; CSR implementation; Corporate citizenship: concept and features; Management and status of CSR in Nepal; Role of government in promoting CSR in Nepal; Legal provisions governing CSR in Nepal.

Unit 6: Corporate Governance**8 LHs**

Concept of good governance; Features and relevance of good governance; Corporate governance theories, models and mechanisms; Emerging issues in corporate governance; Corporate scandals; Corporate governance system and policies in Nepalese organizations; Supportive environment to corporate governance.

Basic Books

Carroll, A. B., & Buchholts, A. K. *Business and Society: Ethics, Sustainability and Stakeholder Management*. Boston: Cengage Learning.

Steiner, J. F., & Steiner, G. A. *Business, Government and Society: A Managerial Perspective*. New Delhi: Tata McGraw Hill.

References

Mallin, C. A. *Corporate Governance*. Oxford: Oxford University Press

Chapagain, B. R. *Business and Society*. Kathmandu: Asmita Publications.

Chatterji, M. *Corporate Social Responsibility*. Oxford: Oxford University Press.

Fernando, A. C. *Business Ethics: An Indian Perspective*. Delhi: Pearson Education.

MGT 224: Entrepreneurship and Small Business Management

Credit: 3
Lecture Hours: 48

Course Objectives

The aim of this course is to develop understanding of the significance of entrepreneurship and small business management among students and provide them entrepreneurial and managerial skills required specifically to the management of small business. The course will enable students to identify potential business opportunities and prepare strategic business plan, marketing plan, financial plan and seek institutional support from agencies dedicated in promoting small businesses.

Course Description

Entrepreneurship converts ideas into actions valuable to the entrepreneur and the society at large. It has immense potential but also involves risk. Systematic approaches must be followed to avoid the risk and reap potentials. This course has been designed to develop systematic approach for identifying business possibilities and converting them into business realities. The course begins with an introduction to entrepreneurship and highlights the significance of creativity and innovation in business development. Then it provides materials for skills development required for conducting feasibility studies, preparing plans and developing strategies in different functional areas of small businesses. Finally, it also enables students to explore potential institutional support for the promotion and development of small businesses in Nepal.

Course Learning Outcomes

On completion of this course the students will be able to:

- Understand the concept and benefits of entrepreneurship and avoid its pitfalls;
- Develop creative and innovative ideas for small business promotion;
- Conduct feasibility studies of small business and develop testable business models;
- Prepare viable business plan by following strategic management process;
- Conduct market research, identify the target market and develop marketing plan;
- Develop pricing and credit strategies suitable for the identified business;
- Formulate financial plan for the business;
- Seek institutional support from relevant agencies dedicated to the development of small businesses.

Course Details

Unit 1: The Foundations of Entrepreneurship

5 LHs

Concept of entrepreneurship; The benefits of entrepreneurship; Potential drawbacks of entrepreneurship; Avoiding the pitfalls.

Unit 2: Ideas to Reality

5 LHs

Creativity, innovation and entrepreneurship; Creativity: meaning, creative thinking, barriers to creativity, enhancing creativity, the creative process, techniques for improving the creative process.

Unit 3: Feasibility Analysis and Business Model

10 LHs

Idea assessment; Feasibility analysis; Industry and market feasibility; Porter's five forces model; Product or service feasibility analysis; Financial feasibility analysis; Entrepreneur feasibility; Developing and testing a business model.

Unit 4: Business Plan and Strategic Plan**8 LHs**

Benefits of business plan; The elements of business plan; Preparing business plan; Selling the business plan; Building a strategic plan; Building a competitive advantage; The strategic management process.

Unit 5: Marketing Plan**6 LHs**

Building a marketing plan; Identifying the target market; Conducting market research; Developing marketing strategy.

Unit 6: Pricing and Credit Strategies**4 LHs**

Image, competition and value in pricing; Pricing strategies and tactics: new product, established goods and services; Pricing strategies and methods for retailers; Pricing concepts for manufacturers; Pricing strategies and methods of service firms; The impact of credit on pricing.

Unit 7: Financial Plan**6 LHs**

Creating and interpreting projected financial statements; break-even analysis; Preparing cash budget; Avoiding the cash crunch; Choosing the right source.

Unit 8: Institutional Support to Small Business Development**4 LHs**

Role of government (federal, state and local) in promoting small businesses in Nepal; Incentive, subsidies and grants to small businesses in Nepal; Role of financial institutions in small business development in Nepal; Entrepreneurship/small business development projects in Nepal.

References

Scarborough, N. M. & Cornwall, J. R., *Essentials of Entrepreneurship and Small Business Management*. Boston: Pearson.

Dollinger, M. J. *Entrepreneurship: Strategies and Resources*. New Delhi: Pearson Education.

Hisrich, R. D., Peter, M. P. & Shepherd, D.A. *Entrepreneurship*. New Delhi: Tata McGraw Hill.

Khanka, S.S. *Entrepreneurship Development*. New Delhi: S. Chand & Co.

Publications of Nepalese institutions involved in entrepreneurship development in Nepal