

TRIBHUVAN UNIVERSITY
FACULTY OF MANAGEMENT

Office of the Dean

2016

Full Marks: 60

Time: 3 Hrs.

BBM / Fifth Semester / BNK 211: Banking Law

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

Group "A"

Brief Answer Questions:

[6 × 1 = 6]

1. Give the meaning of financial institution.
2. Name any four commercial banks of Nepal.
3. Point out any two banking acts.
4. What is meant by licensing?
5. What is meant by cheque?
6. Who is a borrower?

Group "B"

Descriptive Answer Questions:

[6 × 3 = 18]

7. State the composition of BOD of Nepal Rastra Bank.
8. Explain the special relationship between banker and customer.
9. What are the reasons for dishonoring a cheque?
10. Why do a banker blacklist the debtors?
11. What is the account closing procedures of a bank?
12. Explain the procedures of bank lending.

Group "C"

Analytical Answer Questions:

[4 × 6 = 24]

13. Define security. Explain the acceptable securities with examples.
14. What do you mean by bank guarantee? Explain the roles and responsibilities of parties involved in trade finance.
15. Explain the major provisions of Nepal Rastra Bank Act 2058.
16. What is global access in banking services? Illustrate some examples of such services.

Group "D"

Comprehensive Answer Questions:

[4 × 3 = 12]

17. Read the following case carefully and answer the questions that follow:

Mr. Dhaati Ram Karmacharya of Kirtipur Nepal aged 68 years is a retired government employee. After retirement he is carrying a business in Kathmandu for the last seven years. In over the period of time his total asset has been unnaturally increased in comparison to his income and thus fails to prove his sources of income.

Questions:

- a. Should Mr. Dhaati be punished? If yes then why? *yes*

- from: _____ Date: _____
- Ans. More than the offender,
- b. What happens if an existing government servant commits so?
 - c. What is the punishment system according to Anti money Laundering Act prevailing in Nepal?
 - d. What did you learn from the case? What measures do you suggest to discourage the activities as explained in the case?



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April - May 2017

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Time: 3 Hrs.

BBM / Fifth Semester / BNK 211: Banking Law

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

Group "A"

Brief Answer Questions:

[6 × 1 = 6]

1. What do you mean by banking fraud?
2. Name any four micro-finance institutions in Nepal.
3. State any four banking law prevailing in Nepal.
4. What are the generally accepted securities in Nepalese banking?
5. What is mean by promissory note?
6. Write any two functions of B class institutions.

Group "B"

Descriptive Answer Questions:

[6 × 3 = 18]

7. Explain about opening and closing procedures of bank account.
8. Explain about corporate governance.
9. Write about capital requirement of A class institutions in Nepal based on current monetary policy. Also explain the conditions of blacklisting.
10. Explain about trustee-beneficiary relationship.
11. Explain about licensing policy for bank and financial institutions in brief.
12. NRB in Nepal. Comment.

Group "C"

Analytical Answer Questions:

[4 × 6 = 24]

13. State the major provisions of Anti Money Laundering Act in Nepal.
14. What are the lending, recall and recovery procedures of bank loan in Nepal?
15. Explain about banking offences as mentioned in Banking Offence and Punishment act, 2064.
16. What are the major provisions amendments in BAFIA Act, 2063 in 2074?

Group "D"

Comprehensive Answer Questions:

[4 × 3 = 12]

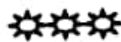
17. Read the following case carefully and answer the questions that follow:

A lady student named Suhasna of International Chartered Association is very fast in electronic services. She is in ranking position in an extra-curricular activity too. Suhasna enjoy social networking portal facebook. She is also taking facilities from bank. E-banking is a service rendered by bank and financial services. One day, a blog is appeared in facebook portal about her, where she has been blamed as a banking fraudulent personality. In addition, her naked posture has been shown in that blog with some inexpressible comments. Suhasna become shocked with

that information and went to police for complain. An investigation officer has been appointed and the team started working. On the basis of given case, answer the following questions.

Questions:

- a. Point out the issues in this case.
- b. To resolve the given case, which law/s should be followed by investigation officer and team?
- c. Cyber crime in Nepal. Explain with the basis of given case.
- d. What do you learn from this case? If Suhasna proved to be banking fraud, then can we say facebook blog harassment is equivalent to punishment that she deserves committing the mistakes?



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Group "A"

Brief Answer Questions:

[6 × 1 = 6]

1. Write down the name of any four Micro Finance Institutions of Nepal.
2. What are the four types of banks of Nepal?
3. Write down any four Act related with banking industry of Nepal.
4. Describe the composition of BOD of NRB.
5. Write down the special types of customer of commercial bank in Nepal.
6. Define electronic banking with example.

Group "B"

Descriptive Answer Questions:

[6 × 3 = 18]

7. Describe the NRB relationship with government and other agencies.
8. Explain the functions and legal power of Nepal Rastra Bank.
9. Describe the debtor-creditor relationship.
10. Explain the various types of collateral used in Nepalese banks.
11. What are the parties involved in the trade finance?
12. Describe about the banking law in Nepal.

Group "C"

Analytical Answer Questions:

[4 × 6 = 24]

13. What do you mean by deregulation? Discuss the impact of deregulation in performance of bank.
14. Describe the conditions of validity and dishonored of cheque.
15. State the major provisions of Foreign Exchange Act in Nepal.
16. What are the requirements for prior approval of new commercial bank from the central bank?

Group "D"

Comprehensive Answer Questions:

[4 × 3 = 12]

17. Read the following case carefully and answer the questions that follow:

Read the news from Himalayan Times dated November 10, 2016. Two foreign nationals were nabbed for their alleged involvement in banking fraud by hacking ATM PINs to drag money from others' accounts in Nepal, on Thursday. A team from the Central Investigation Bureau of Nepal Police arrested Turkish nationals Muhareem Uzun (52) and Selahattin Yabar (32) from the Yellow Pagoda Hotel in Kantipath. The duo had stolen a total of Rs 2.7 million, Euro 1,700 and USD 1,660 from various nationals and internationals customers, according to police. Police also confiscated 113 ATM cards, two mobile phone sets, eight pages with PINs and a Swiss watch.

Police are investigating into the case under the Banking Offence and Punishment Act, 2008. Earlier, four Romanians, three Turkish and two Bulgarians were also nabbed for the same offence.

Questions:

- a. What do you mean by banking fraud? Narrate the above case regarding the banking fraud in Nepal.
- b. Do you think the Banking Offence and Punishment Act, 2008 has provisions regarding the punishment to the culprits of banking fraud? Mention.
- c. Do you see the loopholes in the existing banking system or weaknesses of the banks in the ATM hacking cases? Suggest the banks various ways to be safe from such banking frauds.
- d. In the above case, the foreign citizens have been held against the fraud charges. Is Nepal a safe place for such international banking frauds? What kind of bank policies need to be developed for the foreign citizens coming to Nepal?



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

Group "A"

Brief Answer Questions:

[6 × 1 = 6]

1. State the any four functions of B Class Banks of Nepal.
2. Write about the establishment of Nepal Rastra Bank.
3. Describe the capital requirement of bank and financial institutions.
4. Define capital adequacy with regulatory standards.
5. What is mean by promissory note?
6. Write down about Anti-money laundering.

Group "B"

Descriptive Answer Questions:

[6 × 3 = 18]

7. Explain saving account closing process in a bank.
8. Explain about loan classification and provisioning.
9. What are the composition and roles and responsibilities of BOD of commercial bank in Nepal?
10. What is regulation? What is the significance of regulation?
11. Explain the agent-principal relationship in a bank.
12. Describe the basic features of guarantee.

Group "C"

Analytical Answer Questions:

[4 × 6 = 24]

13. Describe the role of banking institutions for socio economic development
14. Explain the lending process of bank.
15. State the major provisions of Nepal Rastra Bank Act.
16. What are the measurements of fit and proper test of directors?

Group "D"

Comprehensive Answer Questions:

[4 × 3 = 12]

17. Read the following case carefully and answer the questions that follow:

Read a version of this article appears in print on February 21, 2016 of The Himalayan Times. On July 8, the Metropolitan Police Crime Division arrested Rahul Balmiki (23) of Nepalgunj, who had hacked Facebook accounts of more than 40 women and posted obscene images and sent lewd messages to blackmail the victims. Balmiki, 23, of Nepalgunj-12, Banke, who was arrested in his home district, was brought to Kathmandu for further investigation.

On January 13, the Metropolitan Police Crime Division apprehended two persons for allegedly using fake social media accounts with female names to be friend, lure and blackmail

businesspersons in Kathmandu. Bikram Gyawali, 23, of Dailekh, and Kevin KC, 22, from Dhapasi, Kathmandu were held by the Metropolitan Police Crime Division from the premises of Bhatbhateni Supermarket in Maharajgunj. They had managed to cheat Roshan Gupta of India, currently operating a fancy store at Mahabouddha, of Rs 55,000. The duo opened a fake Facebook account under the name of 'Subashna Gautam' with a girl's picture as a honey-trap and sent a friend request to Gupta. After Gupta 'fell in love' with the 'girl', Gyawali and KC approached Gupta masquerading as the girl's brothers and demanded Rs 55,000 from him. They also threatened to file a case against him if he did not pay the amount demanded. According to the Metropolitan Police Crime Division, which handles cases of cyber crime, bringing the guilty to book is next to impossible for the police unless a victim categorically identifies the suspect. A data maintained by the MPCD said police have handled as many as 58 cases of cyber in the fiscal year 2012-13 followed by 90 in 2013-14 and 309 in 2015-16. It has also dealt with 333 cases so far this fiscal year 2016-17. Crimes related to social networking sites accounted for the largest number of cyber crime cases. Any person involved in cyber crime is liable to Rs 100,000 in fine or five years in jail or both under Article 47 of the Electronic Transaction Act, 2008.

Questions:

- a. What do you mean by cyber crime? Narrate the above case regarding the cyber crime in Nepal.
- b. Do you think the Electronic Transaction Act, 2008 has provisions regarding the punishment to the culprit of cyber crime? Mention.
- c. Do you see the loopholes in the existing rules and regulations or weaknesses cyber crime cases? Suggest the various ways to be safe from such crimes.
- d. In the above case, cyber crimes are increasing day by day. What are the reasons? What kind of policies need to be developed to minimize of cyber crime?



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3

Group "A"

Brief Answer Questions:

[6 × 1 = 6]

1. What is financial system?
2. Mention any two examples of risk management techniques in banking?
3. Write the credit monitoring process.
4. Write any two uses of mobile banking.
5. What is known as electronic clearing of cheques?
6. State any four types of agency services of commercial banks.

Group "B"

Descriptive Answer Questions:

[6 × 3 = 18]

7. Differentiate between internal and external fund transfer.
8. Justify the significance of remittance service.
9. Explain about deposit marketing.
10. Distinguish between term loan and revolving loan.
11. Why do bankers require KYC from customer?
12. What is the procedure of mitigating the banking risks?

Group "C"

Analytical Answer Questions:

[4 × 6 = 24]

13. What is grant credit? Explain the process of granting credit.
14. How does bank determine foreign exchange rate? Why does foreign exchange rate fluctuate?
15. What is trade finance? Explain risks associated with trade finance?
16. Do you think that innovation in product is necessary for the survival of banks? What are the challenges for banks to launch innovative products? Explain.

Group "D"

Comprehensive Answer Questions:

[4 × 3 = 12]

17. Read the following cases carefully and answer the questions that follow:

BOK Ltd is one of the renowned bank having retail banking division in major cities of Nepal. Its operations include a regional banking franchise operating primarily in twenty five districts with more than 30 branches. BOK and LM Bank Ltd. are negotiating to merge each other and have already signed the MOU. Still they have possibility to raise their paid up capital after issuing right shares as provisioned by the NRB. LM Bank is interested to merge rather than issuing right

shows. ArMs of both banks have assigned authority to the BODs for merger and acquisition. Merger process is started with formal application, proposing pre-merger concept, cause and objective of merger, proposed names of merged bank, ArMs, ArAs of each bank, resolution of ArM audit reports etc. During merger banks face problems of position adjustments among personnel, especially of CEO. You are hired to realize the proposed merger. How would you solve the following issues?

3

Questions:

- a. Do you think that merger of commercial banks will be helpful to promote banking sector business in Nepal? Give your arguments.
- b. Explain the major documents and additional information needed for the merger process.
- c. What would be your suggestion to solve the status related problem of the CEO? Give your arguments.
- d. If you do not recommend the merger of banks then what is the possible alternative to satisfy NRB?

FACULTY OF MANAGEMENT

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September 2017

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Time: 3 Hrs.

BBM / Sixth Semester / BNK 214: Commercial Banking Operations

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Group "A"

Brief Answer Questions:

[6 × 1 = 6]

1. ✓ What is credit risk?
2. ✓ What are the main types of deposit account?
3. ✓ What is meant by revolving loan?
4. Give three examples of general utility functions of a bank.
5. Branchless banking is suitable if bank has to serve large number of customers with variety of services in specific locality. Do you agree?
6. What does a front office do?

Group "B"

Descriptive Answer Questions:

[6 × 3 = 18]

7. ✓ Explain how banking business and other business differ.
8. ✓ When is a financial firm asset sensitive? Liability sensitive?
9. ✓ Explain about scope of treasury department of a bank.
10. ✓ Mention the process of opening a saving account by an individual.
11. What are the roles and responsibilities of ALCO?
12. ✓ Why is cash management important for a bank?

Group "C"

Analytical Answer Questions:

[4 × 6 = 24]

13. ✓ Electronic channels of distributing bank services increase the efficiency of bank. Comment.
14. What is liquidity risk? What are the ways of managing liquidity risk in a bank?
15. ✓ What do you mean by LC? Who are the major parties involved in the LC?
16. ✓ What do you mean by agency services? Explain different agency services offered by today's banks.

Group "D"

Comprehensive Answer Questions:

[4 × 3 = 12]

17. Read the following cases carefully and answer the questions that follow:

ABC bank is a regional bank and it serves the customers of two districts. This bank has no branches. Its loans include industrial loans to cottage industries, farming, housing and other consumer loans. Some of the loans are provided keeping fixed asset as collateral. Bank provides its services from its office and bank employees also go to the field (location of customers) and collect the deposits. Bank provides the incentive to the employee on the basis of the deposit.

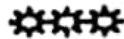
amount collected. They also collect loan requests from customers. Such loans are provided on the basis of guarantee of group of people. Bank has no separate loan department. Bank provides loan on the basis of the recommendation of the field employee and bank also provides some incentive to the employee for searching loan client.

While evaluating the financial statement of the bank for past few years, it seems that non-performing loans are increasing and profit is decreasing. Similarly, most of deposit are very short-term. On an average, deposit retain for one month only. On the other hand, provision for possible loan loss is also increasing. It is also found that most of the loan on guarantee are not utilized as proposed. One of the shareholders in annual general meeting pointed out these issues and asked the management of the bank why it is happening so.

You, as an expert, are required to answer the following questions to suggest the management of bank.

Questions:

- a. Do you see any problem in deposit collection and its cost to the bank? How this problem can be solved?
- b. Is there any problem in lending process? How this problem can be solved?
- c. Do the bank has any role to secure its loan once it is provided? What suggestions would you give to the management?
- d. What other suggestions would you like to give to the management regarding lending, collateral, deposit marketing, and incentive system?



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Sept. - Oct. 2018

Full Marks: 60

Pass Marks: 27

Time: 3 Hrs.

BBM / Sixth Semester / BNK 214: Commercial Banking Operations

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

Group "A"

Brief Answer Questions:

[6 × 1 = 6]

1. ✓ What is foreign exchange risk? ✓
2. ✓ Mention any three main features of demand deposit.
3. ✓ Write about classification of loans for the purpose of loan loss provision.
4. ✓ What are non-performing loans? ✓
5. ✓ Write the role of back office.
6. ✓ Define Nostro and Vostro accounts.

Group "B"

Descriptive Answer Questions:

[6 × 3 = 18]

7. ✓ What are the benefits of debit card to the cardholders? ✓
8. ✓ Write about ABBS. ✓
9. ✓ How exchange rate is determined in free market economy? Explain.
10. ✓ Distinguish between consumer loan and corporate loan.
11. ✓ What is the main purpose of maintaining KYC?
12. ✓ What are the roles of a cashier in a bank?

Group "C"

Analytical Answer Questions:

[4 × 6 = 24]

13. ✓ What do you mean by credit risk? How do you manage credit risk? Explain with suitable example.
14. ✓ How do you think that deposit mobilization is important for a bank?
15. ✓ What is e-banking? What are the risk of e-banking? Explain.
16. ✓ A bank should have written credit policy. If this is true, what are the main points that should be included in a good credit policy?

Group "D"

Comprehensive Answer Questions:

[4 × 3 = 12]

17. Read the following cases carefully and answer the questions that follow:

Consider a shoe manufacturing company located in Kathmandu. Currently 400 employees are engaged in this company. It imports raw material from Pakistan. It has 10 foreign technicians from different countries. These technicians take salaries in their home

currencies: dollar, yen, pound and Indian rupees. It has imported modern machine from New Zealand which is used in making shoes. Its long-term capital is Rs 1000 million which comprises Rs 400 million of equity and Rs 600 million of loan from bank. All employees receive their salary from bank. Most of the products are exported. Its major markets are Japan, India and America. However, about 20 percent of the shoes produced by the company are sold in major cities in the country. Company has central billing system, that is, it has no regional offices to collect the cash from customers.

On the basis of the information presented, you are required to answer the following questions:

Questions:

- a. What types of payment problems and financing problems would this company have to bear if there were no banking system?
- b. Do you see any foreign currency related problems to this company? What suggestions do you give for the company to manage forex risk?
- c. Do you think that company would have to face problem in export and import if there were no banking system? How does a bank help to manage this problem?
- d. Why banking system is needed for the development of economy? Explain.



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

Group "A"

Brief Answer Questions:

[6 × 1 = 6]

1. For what purpose standing order from customers is used?
2. What is meant by operational risk?
3. Write features of saving deposits.
4. What do you mean by electronic cheque clearing?
5. What are convertible and nonconvertible currencies?
6. Define e-banking and give one example.

Group "B"

Descriptive Answer Questions:

[6 × 3 = 18]

7. Write about process of sending money through remittance.
8. Describe the ways of securing vault cash.
9. What are the advantages of internet banking?
10. What do you mean by Know Your Customer? What are the major information about customers included in KYC firm?
11. How equilibrium exchange rate in free market economy is determined?
12. What are the major non-funded activities of a bank that earn non-interest income?

Group "C"

Analytical Answer Questions:

[4 × 6 = 24]

13. Write about the process of letter of credit with the help of diagram.
14. What are the major function of back office and front office?
15. What are the difference between banking business and other business?
16. Explain how liquidity risk affects a bank. Suggest the ways of managing liquidity risk.

Group "D"

Comprehensive Answer Questions:

[4 × 3 = 12]

17. Read the following cases carefully and answer the questions that follow:

Nabiko Biscuit Company is in need of Rs 10 million of cash for its purposed renovation of production facility. Nabiko plans to raise fund through bank loan of five year maturity. Nabiko has already taken long-term loan from Civil bank and that was paid on time. Therefore, CFO of Nabiko approaches to credit department of Civil Bank again. Nabiko

does its all banking transactions through Civil bank. Loan proposal of Nabico included the detail of purposed project, cost required, expected revenue after renovation. Nabico has estimated its revenue to increase by 25 percent and its operation costs will be saved Rs 200000 annually if purposed renovation is made. Along with loan proposal, its past 5-year financial statements (balance sheet, income statement, and cash flow statement) are also attached.

Collateral purposed by Nabico are the new plant and other existing plants which are in regular operation. Financial statements show that Nabico is regularly in profit and its dividend policy was to pay almost all earnings as dividend each year. Therefore, its retained earnings are negligible. However, its paid capital is Rs 20 million. Nabico has taken Rs 5 million of overdraft loan from Civil Bank already and not paid yet. No other debt has been used by Company currently. Company's records also show that it is paying its payables on time and no penalty has been paid for delayed payments.

Civil Bank has practice of approving loan of Rs 10 million or more by its BOD. CEO of the bank presents report to the board meeting and board makes decision regarding whether to grant loan or not. As a manager of credit department, your task is to prepare loan report and to submit it to the CEO which finally goes to board meeting. Therefore, you are require to answer following questions while preparing loan report that mostly include the examination of 6 Cs:

Questions:

- a. How do you access the characteristics and capacity of Nabico? What factors support to your answer? Are they favorable to the bank for providing loan?
- b. What factors about collateral should be considered while making loan decision? How the purposed collateral can be made safe?
- c. What is a loan covenant? What provisions can be kept in loan covenants to make loan more secure?
- d. Do you recommend loan to Nabico? Suppose your bank provided loan to the Company and it did not pay on time. What process is normally used to recover the loan?



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

Group "A"

[6 × 1 = 6]

Brief Answer Questions:

1. What are the components of Nepalese financing system?
2. What are the various types of deposits accepted by commercial bank?
3. What are Vostro accounts? Illustrate with example.
4. What do you mean by branchless banking?
5. What do you mean by internal and external fund transfer?
6. Define credit risk with examples.

Group "B"

[6 × 3 = 18]

Descriptive Answer Questions:

7. Describe about the provision of the insurance of various deposit.
8. What are the utility payment services provided by bank?
9. Highlight the functions of front office of treasury department.
10. Describe about the internet banking in Nepal.
11. What are the essential documents in letter of credit?
12. What are the various types of loan classification and provisioning by NRB?

Group "C"

[4 × 6 = 24]

Analytical Answer Questions:

13. Explain the major risk in banking business.
14. Differentiate between banking and other business.
15. Describe the account opening and closing process by bank.
16. Explain the various functions of FEDAN.

Group "D"

[4 × 3 = 12]

Comprehensive Answer Questions:

17. Read the following case carefully and answer the questions that follow:

Credit department is the main department of the bank. The performance of the bank is depends on the performance of this department. Commercial bank provides the various types of loan to its clients. These loans can be structured either as short or long term, secured loan or unsecured loan, consumer loan or business loan, funded loan or non funded loan, term loan or overdraft loan, and secured or unsecured. While each potential

borrower's business is unique, reasons to borrow generally include the purchase of assets including new fixed assets or entire business, repayment of obligations, raising of temporary or permanent capital, and the meeting of unexpected needs.

As increased competition has forced banks to develop innovative credit facilities and financing techniques, traditional products, which include short term, long term, and saving loans, continue to be the mainstay of commercial banking.

Banks succeed when the risks they assume are reasonable, controlled, and commensurate with their resources and credit competence. Loan officers, in turn, must accurately identify, measure, and manage risk if their banks are to succeed. Therefore, the role of loan officer is very important in the credit department. All terms and conditions regarding credit are mentioned in the credit policy guidelines prepared by the credit department and approved by BOD. Before a bank agrees to commit its funds to a company, its loan officers analyze the prospective borrower to determine creditworthiness. Loan officers have a responsibility to grasp the quantitative and qualitative details of each transaction thoroughly, analyze its variables, and make adequate allowance for their impact.

Questions:

- a. What is funded loan? What are the various types of funded loan?
- b. Describe about the secured and unsecured loan provided by the banks.
- c. What are the traditional and innovative credit facilities provided by banks?
- d. What are the contents in the credit policy guidelines?



BBM / Seventh Semester / BNK 212: Wholesale and Retail Banking

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

Group "A"

Brief Answer Questions:

1. Define the term banking business.
2. What is meant by corporate lending?
3. What are the types of bank accounts?
4. Define retail banking.
5. Give the meaning of wholesale loan.
6. Define ATM.

[6 × 1 = 6]

Group "B"

Descriptive Answer Questions:

7. Explain the types of consumer loan.
8. Discuss the pros and cons of wholesale banking.
9. Why is SWOT analysis useful tool for banks?
10. What are the different types of banks and financial institutions?
11. Explain the opportunities and challenges of retail banking.
12. What do you mean by utility payments? Discuss.

[6 × 3 = 18]

Group "C"

Analytical Answer Questions:

13. Define commercial bank? What are primary and secondary functions performed by commercial banks? Explain.
14. What is credit appraisal? Explain 5c's Model.
15. Discuss in brief about the pricing strategy of banking product and services.
16. Explain in brief about different types of corporate lending by banking industries.

[4 × 6 = 24]

Group "D"

Comprehensive Answer Questions:

[4 × 3 = 12]

17. Read the following cases carefully and answer the questions that follow:

Omni Leathers was a newly established joint venture company with financial collaboration between Badalpur Industries Ltd., and Surya Group (SG) of Nepal.

Badalpur Industries Ltd. (BIL) is one of India's leading industrial groups with a very good reputation in glass manufacturing and with involvement in a host of other businesses, both trading and manufacturing. BIL's gross sales at the time of establishment of Omni Leather Private Limited (OLPL) amounted to IRs. 900 crore. Similarly, Surya Group is one of Nepal's leading

business houses with interest in pharmaceutical trading, hospitality and tobacco industries. BIL and SG joined hands to set up OLPL to manufacture world class leather shoes and accessories with state of the art technology to sell it's product in the world market.

OLPL was set up 1992 in a 200 Ropani sprawling land area near Kathmandu with all infrastructure available for the purpose. Apart from state of the art technology it set up all amenities to operate the unit like main facility, administrative block, ware houses, testing facilities, executive block, etc. Total cost of fixed assets and property was Rs. 8 crores with operating capital of Rs. 5 crores. Out of the total capital of Rs. 13 crores, two major banks of Nepal namely Industrial Bank of Nepal (IBN) and Nepal Commerce Bank (NCB) extended finance of Rs. 5 crore (Rs. 4 Crore in fixed capital and Rs. 1 Crore in operating capital) on 50% pari passu (Proportionate sharing) basis each.

Banks extended finance facility to OLPL because it was poised to run successfully. Some of the features of OLPL are as follows:

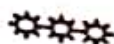
- OLPL was promoted by two renowned business houses of Nepal and India.
- It had the required capital with good debt equity ratio - 38% and 62% respectively
- It was going to use latest technology with all pre requisites available for operating such a facility.

The Company started its production towards the mid of year 1992 and sales campaign was launched with much fanfare both locally and internationally. Early production and sales data showed good signs and orders were also encouraging.

One fine morning in February 1993, it was reported that OLPL was on the verge of closure. Banks were alarmed and sent for inspection of the company. Soon after it was found that the company had actually closed.

Questions:

- a. Write a synopsis of this case.
- b. If you were the head of credit in Nepal Commerce Bank, would you have recommended board to extend the loan to OLPL?
- c. What was the major problem with OLPL? What went wrong?
- d. How Industrial Bank of Nepal and Nepal Commerce Bank do handle this situation? What is the their next step?



TRIBHUVAN UNIVERSITY
FACULTY OF MANAGEMENT

Office of the Dean

April 2019

Full Marks: 60

Pass Marks: 27

Time: 3 Hrs.

BBM / Seventh Semester / BNK 212: Wholesale and Retail Banking

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

Group "A"

Brief Answer Questions:

[6 × 1 = 6]

1. ✓ Describe the nature of banking business.
2. ✓ Write down the name of four corporate depositors.
3. ✓ What do you mean by retail loan product?
4. ✓ Define corporate lending with example.
5. ✓ Write the meaning of SWOT analysis.
6. ✓ Define the term marketing of banking product.

Group "B"

Descriptive Answer Questions:

[6 × 3 = 18]

7. ✓ Describe about the target group of wholesale banking.
8. ✓ What are the features of retail banking?
9. ✓ Highlight the features of corporate lending.
10. ✓ Define term loan with example.
11. ✓ What is collateral? Illustrate with example.
12. ✓ Define debit card with example.

Group "C"

Analytical Answer Questions:

[4 × 6 = 24]

13. ✓ Highlight the major functions carried out by modern banking.
14. ✓ Differentiate between retail banking and wholesale banking.
15. ✓ Explain the five C's model of credit appraisal.
16. ✓ Discuss the various types of marketing strategies used by bank.

Group "D"

Comprehensive Answer Questions:

[4 × 3 = 12]

17. Read the following cases carefully and answer the questions that follow:

Bank loans are a versatile source of funding for businesses. These loans can be structured either as short or long term, secured loan or unsecured, consumer loan or business loan, funded loan or non funded loan or term loan or overdraft loan. While each potential borrower's business is unique, reasons to borrow generally include the purchase of assets including new fixed assets or entire business, repayment of obligations, raising of

temporary or permanent capital, and the meeting of unexpected needs. Loan payment generally comes from one of four sources: operations, turnover or liquidation of assets, refinancing, or capital infusion.

While increased competition has forced banks to develop innovative credit facilities and financing techniques, traditional products, which include short term, long term, and revolving loans, continue to be the mainstay of commercial banking.

Banks succeed when the risks they assume are reasonable, controlled, and commensurate with their resources and credit competence. Loan officers, in turn, must accurately identify, measure, and manage risk if their banks are to succeed. Thus, the role of loan officer is very important. Before a bank agrees to commit its funds to a company, its loan officers analyze the prospective borrower to determine creditworthiness. Loan officers have a responsibility to grasp the quantitative and qualitative details of each transaction thoroughly, analyze its variables, and make adequate allowance for their impact. All terms and conditions regarding credit are mentioned in the credit policy guidelines prepared by the credit department.

Questions:

- a. Describe the various types of loan discussed in the case.
- b. What are the roles of loan officer in credit department?
- c. Explain the major risks faced by credit department.
- d. What do you mean by credit policy guidelines? What are the contents in the credit policy guidelines?



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TRIBHUVAN UNIVERSITY
FACULTY OF MANAGEMENT

Office of the Dean

Aug - Sept 2017

Full Marks: 60

Time: 3 Hrs.

BBM / Eighth Semester / BNK 218: Micro Finance and Rural Banking

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

Group "A"

Brief Answer Questions:

[6 × 1 = 6]

1. Define microcredit and microfinance. 1
2. What are the functions of Self Help Group? 1
3. Give a snapshot of Bank and Financial Institutions in Nepal. 1
4. What is voluntary saving? 1
5. What are the advantages of directed lending program? 1
6. Define the term CGAP. 1

Group "B"

Descriptive Answer Questions:

[6 × 3 = 18]

7. What are the characteristics of microfinance? 3
8. Differentiate between microfinance and conventional banking. 3
9. Describe the factors affecting interest rates of lending in microfinance. 3
10. What are the strengths and weaknesses of Grameen banking model of lending? 3
11. What do you mean by socially responsible investor? How they are different from commercial investors? 3
12. What are the features of national microfinance policy? 3

Group "C"

Analytical Answer Questions:

[4 × 6 = 24]

13. Explain the role of microfinance in women empowerment. 5
14. What are the different approaches of microfinance in Nepal? Which approach do you think most effective in achieving the outreach objective? Explain. 5.5
15. How does deprived sector lending (DSL) program help in increasing productivity of microenterprises? Explain the relevance of DSL. 5.5
16. Is it necessary to evaluate the performance of the MFIs? What are the models available to measure the performance of MFIs? Which model do you suggest to use? 3

Group "D"

Comprehensive Answer Questions:

[4 × 3 = 12]

17. Read the following case carefully and answers the question that follow.

Garibi Utthan Microfinance Institution Ltd (GUMI) is a Microfinance Bank created by 100 professional women who believe in inclusive, socio-economic development of Nepal. GUMI extends itself into areas that are not served or underserved by other financial institutions to fight gender inequality, unemployment driven out-migration, and poverty. Licensed by Nepal Rasta

Bank, it is an independent microfinance "D/(Gha)" category bank under the provisions of the Banks and Financial Institution Act 2063.

Known popularly as 'banking for the poor', the core idea behind microfinance is the provision of collateral-free, small loans that aim to reduce poverty among borrowers. GUMI, a micro-credit provider in Nepal help the women in the country earn money by providing micro credit loans. The employees of the micro-finance institution come to their doorsteps to provide them credit and the borrowers do not have to offer their property as collateral.

Kamala B K, a member of Dadapari, had purchased a Jersey cow five years ago by obtaining a small loan of Rs. 20,000 from GUMI, a micro-credit provider and she now has a successful milk selling business thanks to the micro-credit loan. She has been able to erect a new house by putting together her income from the milk business and her husband's earnings. Kamala had a hard time managing her household expenses on the small salary of her husband. Now, she has been able to purchase Jewellery from the savings she made by selling milk.

Women of Dadapari village have formed a women's group which is mainly responsible for taking decisions regarding who should be given credit as per their earlier performance regarding the best utilization of the fund. The women of the village said they had to depend on others for even small personal expenses. Now they are capable of earning enough money not only their personal expenses but also to contributed the household expenses.

Questions:

- a. Write synopsis of above case study. 3
- b. What are the major products and services of MFIs like GUMI? How they are different from products of commercial banks? 3
- c. Describe the which model of lending GUMI following. What are the challenges of this model of lending to MFIs? 3
- d. Do you think Kamala got empowered from MFIs services? Explain. 2



TRIBHUVAN UNIVERSITY
FACULTY OF MANAGEMENT

Office of the Dean

March - April 2017

Full Marks: 60

Time: 3 Hrs.

BBM / Seventh Semester / BNK 218: Micro Finance and Rural Banking

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

Group "A"

Brief Answer Questions:

[6 × 1 = 6]

1. What is microfinance investment vehicle?
2. Who are called socially responsible investors?
3. List out four characteristics of microfinance.
4. What is the purpose of directed lending?
5. What is cash flow based lending?
6. What do you mean by financial inclusion?

Group "B"

Descriptive Answer Questions:

[6 × 3 = 18]

- ✓ 7. Write major principles of microfinance.
- ✓ 8. How is compulsory saving different from voluntary saving?
9. What is capital adequacy ratio? What does it measure?
10. What is group lending? Why this technique is popular among microfinance institutions?
11. What are microfinance investment funds? Explain its types.
12. Explain the term outreach and efficiency in microfinance context. How they contradict?

Group "C"

Analytical Answer Questions:

[4 × 6 = 24]

- ✓ 13. Explain different practices of Microfinance models with special reference to Nepal.
14. Briefly explain the major policies of NRB for deprived sectors lending.
- ✓ 15. What are the options for growth and transformations? Explain.
- ✓ 16. Explain in brief the common organizational structure of microfinance institutions in Nepal with the help of a chart.

Group "D"

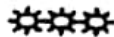
Comprehensive Answer Questions:

[4 × 3 = 12]

17. Read the following scenarios and list out what will be some of the main positive, negative or both impacts of the decision made on the MFI's performance for in each scenario? Write the answer of each scenario separately.
 - a. In the pursuit of financial efficiency, an MFI decides to increase loan officer productivity, so it sets up an incentive scheme linking loan officer pay to the number of clients. The branch managers are also promoted according to their branch client population.

(The MFI had only three branches and one train officers, who are then deployed to open new branches and meet client targets. Before embarking on this plan, the MFI did not consider its internal target for increasing sustainability.

- c. An MFI has five different loan products under its group lending scheme, as well as working capital and fixed asset loans for individuals with security. The total portfolio outstanding is growing fast, but the income from the portfolio is growing at a much slower rate.
- d. The board of directors was revising the annual results of the MFI. They found a huge gap between the projected interest income and the interest income received by the MFI, although the portfolio quality remained high throughout the year. The goal of the MFI was to achieve financial sustainability, so the board recommended cutting down costs by merging some branches and letting go some of the loan officers. It was also recommended to increase productivity of all loan officers by setting higher targets (both in number of loans and portfolio outstanding).



TRIBHUVAN UNIVERSITY
FACULTY OF MANAGEMENT

Office of the Dean
March - April 2018

Full Marks: 60
Time: 3 Hrs.

BBM / Seventh Semester / BNK 218: Micro Finance and Rural Banking

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

Group "A"

[6 × 1 = 6]

Brief Answer Questions:

1. State any four features of microfinance.
2. What is social banking? State any two features.
3. What is meant by financial inclusion?
4. What kinds of microfinance models currently practicing in Nepal?
5. What is directed lending?
6. What is meant by financial performance of micro finance Institutions?

Group "B"

[6 × 3 = 18]

Descriptive Answer Questions:

7. What are key principles of microfinance program?
8. Describe the historical ground of micro finance in Nepal.
9. What is difference between character based lending and cash flow based lending?
10. Explain the key features of national microfinance policy 2064.
11. Explain various financial institutions providing microfinance services in Nepal.
12. Describe the types of financial services provided by microfinance institutions.

Group "C"

[4 × 6 = 24]

Analytical Answer Questions:

13. Explain the role of government in microfinance program.
14. Analyze the reasons for the failure of microfinance institutions.
15. Explain the role of government to promote and develop the microfinance program.
16. How social performance of MFIs are measure and evaluate as per WOCRU framework?

Group "D"

[4 × 3 = 12]

Comprehensive Answer Questions:

17. Read the following carefully and answer the questions that follow:

Microfinance program has been globally recognized as effective means of reducing poverty. The government, Non- Government and Private sector role is equally for better implementation of program. In Nepal the program found started since 2032(1975) B.S as the small farmer development program and later advanced thorough various projects and targeted programs including priority sector lending. However, the program fully geared up after political changes in

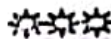
bank sector 2062 (1975) and the financial liberalization act of 2058 (2003) after the

Development Banks, 27 licensed Financial Intermediary Non- Government Organization, Small Farmer Development Banks and hundreds of small farmer cooperatives are serving to almost 2.4 million poor families in Nepal. services have been extended to 75 districts. It is evident that the poor families have become entrepreneurs and have come out or are coming out of poverty trap. The program formulates groups in rural and semi urban areas for developing saving habit, sharing necessary information's to start business and offers small amounts of loans at the door steps of the deprived families to meet their capital deficiency for investment in smaller activities. MFIs have enhanced access to resources in rural areas and inspired a large number of people for self-employment. the program has supported the rural economy and has contributed to enhance social security, women empowerment, child education, health and sanitation situation.

Nepal economic growth rate has been below the expectation due to multiple reasons, such as low level of entrepreneurship development, and insufficient utilization of existing local resources and opportunities. Micro finance should support its clients to start new businesses and to expand the existing ones as a means to further strengthening the national economy. It is widely accepted that economic growth through entrepreneurship development is only possible when the illiterate or less educated are provided with business literacy to raise their basic knowledge, skills and self confidence that are needed to run a business.

Questions:

- a. What is the size of population currently covered by microfinance program? Is it expanding? Why?
- b. How many microfinance institutions currently providing microfinance services in the country? Express your argument on the need of microfinance.
- c. Do the programs been supporting to uplift the rural economy? How?
- d. How microfinance program can be interwined with national economic growth? List out.



TRIBHUVAN UNIVERSITY
FACULTY OF MANAGEMENT
Office of the Dean
April 2019

Full Marks: 60
Pass Marks: 27
Time: 3 Hrs.

BBM / Seventh Semester / BNK 218: Micro Finance and Rural Banking

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

Group "A"

[6 × 1 = 6]

Brief Answer Questions:

1. State four features of microfinance.
2. What is social banking?
3. What do you mean financial inclusion?
4. Which microfinance models mostly practicing in Nepal?
5. What is directed lending?
6. State globally recognized performance standards of microfinance.

Group "B"

[6 × 3 = 18]

Descriptive Answer Questions:

7. Explain how the micro finance program is found evolved in Nepal.
8. What is difference between characters based lending and cash flow based lending?
9. Explain the key features of national microfinance policy 2064?
10. Describe the reasons of high rate of interest on loan provided by microfinance institutions.
11. Do the microfinance program equally popular in developed and developing country? State the causes of differences if not equally popular.
12. What is PEARL system? Why it is use?

Group "C"

[4 × 6 = 24]

Analytical Answer Questions:

13. Explain different models of a microfinance practicing in Nepal.
14. Explain the role of government to promote and develop the microfinance program?
15. Microfinance role has been accepted for vibrating economic activities in all corner of country. Highlight key emerging issues and challenges of microfinance industry in Nepal.
16. Critically examine the role subsidy for sustainability of micro finance.

Group "D"

Comprehensive Answer Questions:

[4 × 3 = 12]

17. Read the following cases carefully and answer the questions that follow:

The rotary club of Balaju (RC Balaju) with the coordination of micro credit for women program (MCPW) has started micro finance project in Goldhunga VDC, Kathmandu metropolitan city in FY 2002/03. The program was started with ten women participants so as to improve the quality of life of the women through the provision of small credit for

income generating activities and enhance women empowerment). At the initial stage, a fund was raised from among the Club members themselves for the implementation of the program. Some of the Rotary Clubs of Nepal had also supported the MCPW. The following were the objectives of program:

- Creating awareness among women on the need and importance of self-help development and assisting them to get organized into self-help solidarity groups;
- Provide credit support to low income groups for promoting opportunities for income and self-employment;
- Mobilize saving to promote a self-help financial system;
- Educate women on ways of bringing improvement in health, hygiene, nutrition and maternity care child health and reproductive health;
- Provide training support to target groups to improve their skill and managerial capacity.

The RC Balaju was supported by the governor's fund, Rotary Club of Mid for Rough, USA and the Rotary Foundation in the form of matching grant of US\$ 10000. The available fund helped the club to carry the micro credit program in a larger volume with an agreement with women support cooperative (WSC). In such a way WSC was used as a channel to use the fund in the form of microfinance to the rural poor women, the target group the fund, even though is handled by WSC to give loan and to recover it as well, the seed money is controlled by RC Balaju. To add to the fund, RMDC also supported MCPW with loan fund. As of June 2005 the MCPW has covered nine rural VDCs and five wards of Kathmandu metropolitan city. There were 31 microfinance centers in operation spread in seven VDCs of Kathmandu districts with the involvement of more than 1033 women beneficiaries.

The project not only helped the women from poor families to get microfinance services for their income generating activity but also taught them to save something out of their income. Skill development training was also given to the participating women in the field of mushroom cultivation, waste management, worm culture and composting. Further, with an expose in different fields within and outside the project, the women participants in the project have developed leadership capacity had made them confident and able to generate income and self-employment. In addition to get easy microfinance services at their doorstep, the project has made a positive contribution to increase awareness and alertness in their activities. Further, from the income of the project the beneficiaries can give education to their children, have nutritious food, improve their family health and also have good shelter. In this way, RC Balaju has set this example of how to extend a helping hand to the rural poor women to uplift their economic status by financing the cooperatives in the form of seed capital to finance the rural poor women in the form of microfinance. The club can also provide seed money on project basis to the financial institutions for microfinance to the rural poor.

Questions:

- a. Describe the program operated by Rotary Club Balaju, also state the purpose of executing the program.
- b. Who are the ultimate beneficiaries and how they were found benefitted?
- c. What do you feel the role of funding partners for successful implementation of such program?
- d. What is your suggestion to assure sustainability, efficiency and effectiveness of program?

TRIBHUVAN UNIVERSITY
FACULTY OF MANAGEMENT

Office of the Dean

April 2019

Full Marks: 60

Pass Marks: 27

Time: 3 Hrs.

BBM / Seventh Semester / BNK 218: Micro Finance and Rural Banking

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

Group "A"

[6 × 1 = 6]

Brief Answer Questions:

1. State four features of microfinance.
2. What is social banking?
3. What do you mean financial inclusion?
4. Which microfinance models mostly practicing in Nepal?
5. What is directed lending?
6. State globally recognized performance standards of microfinance.

Group "B"

[6 × 3 = 18]

Descriptive Answer Questions:

7. Explain how the micro finance program is found evolved in Nepal.
8. What is difference between characters based lending and cash flow based lending?
9. Explain the key features of national microfinance policy 2064?
10. Describe the reasons of high rate of interest on loan provided by microfinance institutions.
11. Do the microfinance program equally popular in developed and developing country? State the causes of differences if not equally popular.
12. What is PEARL system? Why it is use?

Group "C"

[4 × 6 = 24]

Analytical Answer Questions:

13. Explain different models of a microfinance practicing in Nepal.
14. Explain the role of government to promote and develop the microfinance program?
15. Microfinance role has been accepted for vibrating economic activities in all corner of country. Highlight key emerging issues and challenges of microfinance industry in Nepal.
16. Critically examine the role subsidy for sustainability of micro finance.

Group "D"

Comprehensive Answer Questions:

[4 × 3 = 12]

17. Read the following cases carefully and answer the questions that follow:

The rotary club of Balaju (RC Balaju) with the coordination of micro credit for women program (MCPW) has started micro finance project in Goldhunga VDC, Kathmandu metropolitan city in FY 2002/03. The program was started with ten women participants so as to improve the quality of life of the women through the provision of small credit for

for live, she recalls, it was really a very hard time they have experienced till her son grew up. they had to sacrifice food for a day to buy his copies and pen for school”

The improvement in their financial status was started after the establishment of market in Narayansthan about 6-7 years ago where she sells her vegetables and alongside other vendors in the morning. She continues to work hard as she has to carry vegetables on her own and walks daily from Daanda Gaun to Narayansthan, a 45 minutes’ walk moreover, she also faces some challenges while rearing goats. Among them the toughest is looking for fodder in and around the shivapuri conservation area which is guarded by Nepalese army and prohibits the villagers from collecting fodder. Thus she plans to reduce the number of goats and concentrate more on growing vegetables. However, she also expressed her sadness towards the government for not paying any attention towards rebuilding the houses that had been damaged by the earthquake over two years ago. They have been living in a constant fear of falling down the house. An initial investment in the past of Rs.5000 on vegetable farming has grown significantly today. She now earns as much as Rs.100000 a month of which she saves about Rs.30000. She is just one of the success stories of the microfinance sector where the loan was effectively utilized in income generating activities. Additionally, her loyalty to SWBBL is noteworthy wherein she has been taking loans as per her true need and requirement. She said, “if we work hard, there is no need to go abroad for earning money”

- a) What are the activities Mrs. Devaki is performing from the support taking from SWBBL? What others facilities brought positive change in her income?
- b) How much she is earning and saving in each year from her business?
- c) What are the major services you found provided by SWBBL to Devaki so that she became loyal to SWBBL?
- d) How far you agree with statement of Mrs. Devaki “If we work hard, there is no need to go abroad for earning money”.

XXXXXXX

BBM / Sixth Semester / BNK 218: Micro Finance and Rural Banking

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

Group "A"

[6 × 1 = 6]

Brief Answer Questions:

1. Give conceptual meaning of microfinance.
2. What is portfolio at Risk PAR ratio (PAR)?
3. Give the concept of SEEP model.
4. What do you mean viability of microfinance?
5. What are financial performance ratios of MFIs?
6. What is financial sustainability?

Group "B"

[6 × 3 = 18]

Descriptive Answer Questions:

7. Explain the various approaches of microfinance.
8. What is governance of microfinance? Explain the various responsibilities of board of director and board of MFI.
9. Describe the major micro credit products offered by Microfinance Institutions in Nepal.
10. How the microfinance program is formulated? Who are the key parties involved to operate the program with its intended motive?
11. Why microfinance is gaining popularity for socio economic development of developing nations?
12. Explain about directed lending. How it is different from deprived sector lending.

Group "C"

Analytical Answer Questions:

[4 × 6 = 24]

13. Distinguish microfinance services from main stream financial services.
14. Explain the various services provided by microfinance institutions. Describe the role of group in financial intermediation.
15. Comprehend the role of microfinance to alleviate poverty. How far it has been success to increase the inclusive development of the nation?
16. What are the opportunities and Challenges facing by Nepalese micro finance institutions?

Group "D"

Comprehensive Answer Questions:

[12]

17. Read the following cases carefully and answer the questions that follow:

The concept of microfinance was developed to mobilize small savings of poor people to create deposit, which may be accessible to unreachable and unbankable poor, especially

women. Here is a case showed how the program able to brought the positive socio economic change of microfinance clients. In a time when men and women from nepal are looking for opportunities to go abroad, a 42-year-old lady from Daanda Gaun-05, Mrs. Devaki Tamang has found reasons to stay back. A member of sayapatri Swabalamban mahila Kendra operated by chuchhepati branch of swabalamban laghubitta Bittiya Sanstha Ltd. Since 2061 B.S Ms. Tamang has been engaged in growing vegetables and rearing goats. A jolly woman by nature she has been handling her business well and also carrying out her family responsibilities along with her only son who is a school teacher now. Her husband used to help her to grow vegetables and sell them in nearby bazaar. But since he developed a habit of drinking liquor, now a day he does nothing." This however, not deterred her to manage business and daily chores. She takes necessary advice from her son in all matters including taking loans from SWBBL who has been a great support to her. As one of the oldest member of the Centre who is not part of any other MFI except SWBBL, tamang takes pride in being the first women in the village to grow vegetables and later teaching and motivating other women to grow vegetables of their own. She feels fortunate to be a part of SWBBL which she came across by chance 13 years ago. Tamang recalls, "Back in the year 2061 B.S there was a staff of SWBBL who met one of the member of the village around tusal area. The neighbor told her that he was trying to set up a Centre in Daanda Gaun. Accordingly, a lot of women from the village joined the pre group training, a mandatory requirement for a group but only 15 were successful in becoming members" Tamang who is originally from dhading has been growing vegetables in her native home since her young age. She started off with two goats that have now multiplied to 17. She expressed her gratitude to SWBBL for helping to grow her business and teaching her the importance of cultivating saving habits and utilizing loans for expanding her enterprise. She started rearing goats without prior knowledge about it till received training from Heifer through the VDC. She owe it to SWBBL for motivating her to work hard and increase business" She has come a long way since the start and her situation has improved a lot after joining sayapatri swabalamban Mahila Kendra, she remembered that before joining SWBBL, she did not realized her full potentiality ever, but after became a member, with financial support, she could expand her business year after year in the past 6-7 years. now she is working wholeheartedly to grow her enterprise" However, the improvement in her current social and economic status has been built on the foundation of years of struggle, where she had a hard time to educating child and food for live, she recalls, it was really a very hard time they have experienced till her son grew up. they had to sacrifice food for a day to buy his copies and pen for school"

The improvement in their financial status was started after the establishment of market in Narayansthan about 6-7 years ago where she sells her vegetables and alongside other vendors in the morning. She continues to work hard as she has to carry vegetables on her own and walks daily from Daanda Gaun to Narayansthan, a 45 minutes' walk moreover, she also faces some challenges while rearing goats. Among them the toughest is looking for fodder in and around the shivapuri conservation area which is guarded by Nepalese army and prohibits the villagers from collecting fodder. Thus she plans to reduce the number of goats and concentrate more on growing vegetables. However, she also expressed her sadness towards the government for not paying any attention towards rebuilding the houses that had been damaged by the earthquake over two years ago. They have been living in a constant fear of falling down the house. An initial investment in the past of Rs 5,000 on vegetable farming has grown significantly today. She now earns as much as Rs 100,000 a month of which she saves about Rs 30,000. She is just one of the success stories of the microfinance sector where the loan was effectively utilized in income generating activities. Additionally, her loyalty to SWBBL

women. Here is a case showed how the program able to brought the positive socio economic change of microfinance clients. In a time when men and women from nepal are looking for opportunities to go abroad, a 42-year-old lady from Daanda Gaun-05, Mrs. Devaki Tamang has found reasons to stay back. A member of sayapatri Swabalamban mahila Kendra operated by chuchhepati branch of swabalamban laghubitta Bittiya Sanstha Ltd. Since 2061 B.S Ms. Tamang has been engaged in growing vegetables and rearing goats. A jolly woman by nature she has been handling her business well and also carrying out her family responsibilities along with her only son who is a school teacher now. Her husband used to help her to grow vegetables and sell them in nearby bazaar. But since he developed a habit of drinking liquor, now a day he does nothing." This however, not deterred her to manage business and daily chores. She takes necessary advice from her son in all matters including taking loans from SWBBL who has been a great support to her. As one of the oldest member of the Centre who is not part of any other MFI except SWBBL, tamang takes pride in being the first women in the village to grow vegetables and later teaching and motivating other women to grow vegetables of their own. She feels fortunate to be a part of SWBBL which she came across by chance 13 years ago. Tamang recalls, "Back in the year 2061 B.S there was a staff of SWBBL who met one of the member of the village around tusal area. The neighbor told her that he was trying to set up a Centre in Daanda Gaun. Accordingly, a lot of women from the village joined the pre group training, a mandatory requirement for a group but only 15 were successful in becoming members" Tamang who is originally from dhading has been growing vegetables in her native home since her young age. She started off with two goats that have now multiplied to 17. She expressed her gratitude to SWBBL for helping to grow her business and teaching her the importance of cultivating saving habits and utilizing loans for expanding her enterprise. She started rearing goats without prior knowledge about it till received training from Heifer through the VDC. She owe it to SWBBL for motivating her to work hard and increase business" She has come a long way since the start and her situation has improved a lot after joining sayapatri swabalamban Mahila Kendra, she remembered that before joining SWBBL, she did not realized her full potentiality ever, but after became a member, with financial support, she could expand her business year after year in the past 6-7 years. now she is working wholeheartedly to grow her enterprise" However, the improvement in her current social and economic status has been built on the foundation of years of struggle, where she had a hard time to educating child and food for live, she recalls, it was really a very hard time they have experienced till her son grew up. they had to sacrifice food for a day to buy his copies and pen for school"

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she has been taking loans as per her true need and requirement. She said, “if we work hard, there is no need to go abroad for earning money”

Questions:

- a. How much she is earning and saving in each year from her business?
- b. List out the activities Mrs. Devaki is performing from the financial services provided by SWBBL? Also state the role of non-financial services to transform Devaki and bring positive change in her family income?
- c. Why Mrs. Devaki expressed her gratitude towards the SWBBL?
- d. How far you agree with statement of Mrs. Devaki “If we work hard, there is no need to go abroad for earning money”.



TRIBHUVAN UNIVERSITY
FACULTY OF MANAGEMENT

Office of the Dean

September 2019

Full Marks: 60

Pass Marks: 27

Time: 3 Hrs.

BBM / Eighth Semester / BNK 218: Micro Finance and Rural Banking

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

Group "A"

Brief Answer Questions:

[6 × 1 = 6]

1. Give the concept of microfinance.
2. Describe the concept of social banking.
3. What the FINGOs do?
4. Give the concept of financial inclusion.
5. What is portfolio at Risk PAR ratio (PAR)?
6. What is ACCIONS?

Group "B"

Descriptive Answer Questions:

[6 × 3 = 18]

7. Describe the currently practicing models by majority of Nepalese microfinance institutions.
8. Describe the objectives and governing principles of microfinance.
9. Analyze the variables that affects to the effective interest rate of microloans.
10. Distinguish between character based lending and cash flow based lending.
11. Describe the rating measures used by Credit Analysis and Research limited (CARE) for microfinance institutions.
12. Introduce efficiency of microfinance. Explain the factors affecting to efficiency of micro finance.

Group "C"

Analytical Answer Questions:

[4 × 6 = 24]

13. Analyze the various microfinance products and services offering by Nepalese microfinance institutions.
14. Microfinance is instrumental to alleviate the poverty. Comprehend the statement by explaining the current status of microfinance activities in Nepal.
15. Introduce the performance indicators of microfinance institutions. Explain area wise performance indicators.
16. Write a critical note on role subsidy and donors for sustainability of micro finance.

Comprehensive Answer Questions:

17. Read the following case carefully and answers the question that follow.

Commercial banking system with branches spread in different parts of the country to mobilize deposits and extend credits do not cater to the needs of poor and socially excluded people due to their conventional practices of banking system. The formal lending agencies often leave the poor and un-banked simply because of targeting problem, absence of collateral with the poor clients, and high transaction costs involved in lending to the poor. The search for a new approach based on market principles led to the development of micro-finance scheme as a potent credit program for reaching the poor. Nirdhan Utthan Bank (Nirthan Laghubitta Sanstha Limited Now) is an organization established siktan VDC of Rupandehi in 1991 to address the issues highlighted above. It has evolved from Nirdhan (People without Money) NGO established in march 1991 with the objective of working as a development catalyst through a combination of small credit and awareness programs in the rural areas) particularly focusing on rural poor woman, operating microfinance program since 14 march 1993 transformed into development bank in 1998 under the Development bank act. In 1999 microcredit activities were transformed to the bank and non-financial services through NGO. Functioning as replica of the Grameen Bikas Financial system, Bangladesh, it is guided by the theory of "people won't go to the bank but bank itself goes to the people". Nirdhan provides microfinance services such as Loans, Deposits, Micro-insurance and Remittance services to low income families of Nepal. NULBSL follows group lending based on Grameen Bank, Bangladesh model as well as group lending based on NULBSL developed Self-Reliant Group model through a network of 181 branch offices, 10 Regional Offices and a Central Office serving 338,200 households as of January 14, 2019 spread over all 77 districts of Nepal. The lending interest rates of the institute ranges from 10% - 17% per annum.

According to Bank and Financial Institutions Act 2073 BS (2016) Microfinance Institutions are not allowed to write Bank in their names in nepal, they should write "Laghubitta Bittiya Sanstha Limited", thus it changed her name to Nirdhan Utthan Laghubitta Bittiya Sanstha Limited on June 12, 2018. As national level microfinance bank it has been granted permission to work throughout the country by Nepal Rastra Bank. It follows the standard Targeting criteria to recruit new clients for group based financial services:

- Own less than 0.25 hectares of irrigated land or less than 0.5 hectares of un irrigated land per five-person family;
- House must not have cement walls or ceiling (pucca house)
- Permanent residence of area
- Annual income is not more than Rs.138000 per family
- No current loans from other financial service providers.

The eligibility criteria for micro credit used by NUBL are presented in the table given below:

Criteria	Definition
Social and economic deprivation	Socially disadvantaged and economically deprived households; economically vulnerable and low income; Dalits; female headed households
Landholding size	Landless; squatter; or ownership of land less than 10 Ropanis

of irrigated land or 20 Ropanis of unirrigated land in the hills; 7.5 Kathas of irrigated land or 15 Kathas of unirrigated land in the terai;	
Food self-sufficiency	Produce of food from own land not sufficient to meet the food requirements for the whole year;
Household income	Per capita annual household income of less than Rs 30395;
Type of house	Kachcha house with thatch roof, mud and bamboo/wood wall;
Employment	No family member employed in the formal sector;
Residence	Permanent resident of the locality;
Access to credit	Having no access to institutional credit

Products and Services Offering by NUBL

Credit services: general loan, agricultural loan, housing loan, micro enterprises loan, energy loan, foreign employment loan, educational loan, emergency loan, agriculture development loan.

Saving services:

Group saving: compulsory, voluntary saving, center fund saving, Sambridhi saving

General deposit: easy saving, special saving, employee saving, fixed deposit up to 2 years

Currently, Nirdhan Utthan is working together with the following national and international organizations:

- The World Bank Supported AGRIFIN project
- KIVA
- International Finance Cooperation (IFC)
- Whole Planet Foundation (WPF)
- The Department for International Development (DFID) funded Sustainable Access to Finance and Livelihoods (SAFAL) Project of MERCY-CORPS
- The Department for International Development (DFID) funded Sustainable Access to Finance and Livelihoods (SAFAL) Project of Blue Berry Hill Charitable Trust (BHCT)/Sambridh Pahad.

Questions:

- a. Explain the logic behind the emergence of microfinance program in developing countries.
- b. Explain the historical track NIRDHAN to Nirdhan Utthan Laghubittiya Sanstha, adopted models, and strategic alliances
- c. What are the quantitative and qualitative criteria to get group financial services from nirdhan utthan laghubittiya sanstha?
- d. Do you agree Nirdhan is the leading microfinance institution in Nepal offering all essential products and services to the needy people?



Durga T.

TRIBHUVAN UNIVERSITY
FACULTY OF MANAGEMENT

Office of the Dean

March - April 2017

Full Marks: 60

Time: 3 Hrs.

BBM / Seventh Semester / BNK 216: Treasury Management

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

Group "A"

Brief Answer Questions:

[6 × 1 = 6]

1. What do you mean by treasury?
2. Define the term Letter of credit.
3. What is the meaning of CRR and SLR?
4. Define Interest bearing and Non- interest bearing account.
5. Give the meaning of revenue bond.
6. In which market T-bill is traded? Write.

Group "B"

Descriptive Answer Questions:

[6 × 3 = 18]

7. ✓ What do you mean by dealer? Explain the role and responsibilities of dealer.
8. Define credit products and their features.
9. ✓ Explain major risk associated with treasury management.
10. What do you mean by derivative product? Explain call option and put option.
11. How do the central banks regulate ALM and Treasury?
12. Define open market operation and interbank transaction.

Group "C"

[4 × 6 = 24]

Analytical Answer Questions:

13. Explain the structure of funds approach of estimating of liquidity requirements.
14. "Treasury department has central role in financial institutions". Do you agree with this statement? Explain.
15. What is Assets liability management? discuss about the determinant of interest rate.
16. Discuss about the opportunities and challenges of treasury management functions in Nepalese Banking sector.

Group "D"

[4 × 3 = 12]

Comprehensive Answer Questions:

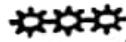
17. Read the following cases carefully and answer the questions that follow:
Every Treasury operation require a good amount of funds transfer. The modality of these funds transfers has gone through many types. The recent one in operation is SWIFT. This system was introduced some two decades ago. But it has picked up its popularity in the last decade. One of the basis of its popularity was based on its security. It was thought of as almost impregnable. So banks all over the world used to take it for granted with regard to its security feature.

In Feb 2016, reports surfaced of a spectacular bank hack that sucked \$81 million from accounts of Bangladesh Bank in just hours. One typo error on the part of the hacker prevented the hacker from stealing the full \$1 billion they were after.

Hackers tried to steal funds from Bangladesh central bank account maintained with Federal Reserve Bank of New York. For this purpose, hackers had used Philippines and Sri Lanka. The hacking attempt through Philippines succeeded while attempt through Sri Lanka could not succeed.

Questions:

- a. What is SWIFT and how does it operate? How did the hacker managed to steal the funds by manipulating SWIFT?
- b. Why the attempt through Sri Lanka failed?
- c. What are the lessons to be learned from this incident?
- d. What are the remedies can be applied for hacking fund from bank account?



TRIBHUVAN UNIVERSITY
FACULTY OF MANAGEMENT

Office of the Dean

March - April 2018

Full Marks: 60

Time: 3 Hrs.

BBM / Seventh Semester / BNK 216: Treasury Management

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

Group "A"

Brief Answer Questions:

[6 × 1 = 6]

1. What is treasury management?
2. Define interest sensitive assets.
3. What is Gap analysis?
4. Define government securities.
5. What is cash reserve ratio?
6. What do you mean by loan pricing?

Group "B"

Descriptive Answer Questions:

[6 × 3 = 18]

7. What are the principles of treasury management?
8. Describe the roles and responsibilities of dealers.
9. Define the major risk in treasury management.
10. Distinguish between forward and future contract.
11. What are the credit products of Nepalese commercial banks? Explain.
12. Define asset liability management committee. Explain the roles and responsibilities of ALCO.

Group "C"

Analytical Answer Questions:

[4 × 6 = 24]

13. How do you differentiate between front office, mid office, and back office of treasury department?
14. Liquidity is an essential in all banks to meet customer withdrawals, compensate for balance sheet fluctuations, and provide funds for growth. In light of this statement, explain the estimation of liquidity in banks.
15. What are the opportunities and challenges of treasury management in Nepalese banking sector?
16. What do you know about Foreign Exchange Dealers Association of Nepal (FEDAN) and what are the roles of Foreign Exchange Dealers Association of Nepal?

Group "D"

Comprehensive Answer Questions:

[4 × 3 = 12]

17. Read the following cases carefully and answer the questions that follow.
The banking sector in Nepal is even suffering a liquidity crunch for months. As a result, the commercial banks have tightened their lending in real estate, agriculture and manufacturing. It has been halted as these sectors are considered unproductive sectors.

As per the prevailing directives of the NRB, the commercial banks are required to invest 20 per cent of their total loan portfolio in the productive sector. During the first six months of this fiscal year, lending to the unproductive sector was twice as high as lending to the productive sector. As of January 12, the government has spent merely Rs 34.7 billion out of total capital budget of Rs 311.94 billion. This is hardly 11.13 per cent of the total capital expenditure while around Rs 200 billion remains unspent in the government treasury. The post-quake reconstruction works are also not progressing well due to which a huge amount of money has been lying idle.

Similarly, the flow of remittance has decreased these days. Therefore, it is natural that the economy will suffer once the inflow of remittance decreases. Imbalance between imports and exports can also be taken as a cause for the worsening situation of liquidity. Whenever the rate of import exceeds export, the liquidity of a country worsens.

Banks have collected deposits of Rs 154 billion since the beginning of this fiscal year in mid-July till January 13, as per the latest data of Nepal Bankers' Association (NBA). In contrast, credit flow has stood at Rs.204 billion. Such mismatch in deposit collection and credit disbursement is sure to create liquidity shortage. NRB has set the CD ratio at 80:20, which means a bank cannot lend more than 80 per cent out its deposits. It means if a bank collects 100 rupees then it can lend only 80 rupees. As NRB is against increasing the CD ratio the commercial banks have tried to rationalize the CD ratio by mobilizing deposits. They have hiked the rate of interest on fixed deposits up to 13 percent. Offering higher interest on fixed deposits to collect money is not bad but just a short-term option to solve the problem. It seems that there is not enough research from the government as well as from private sectors on such issues.

Questions:

- What are the causes for worsening situation of liquidity in Nepal?
- Why commercial banks are increasing interest rate? Is this a solution?
- What are the indicators of liquidity risk?
- What can be formulated new effective policies by central bank to resolve the crisis?

TRIBHUVAN UNIVERSITY
FACULTY OF MANAGEMENT

Office of the Dean

April 2019

Full Marks: 60

Pass Marks: 27

Time: 3 Hrs.

BBM / Seventh Semester / BNK 216: Treasury Management

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

Group "A"

[6 × 1 = 6]

Brief Answer Questions:

1. What is treasury management?
2. State risk management techniques.
3. What is interbank lending?
4. Define the term What is maturity mismatch.
5. A financial derivative is not a product. Explain.
6. Commercial paper is more risky than Treasury bills. Why?

Group "B"

[6 × 3 = 18]

Descriptive Answer Questions:

7. A treasury department is manned by the front office, mid office, and back office. Explain the functions of mid office.
8. A bank has two sources of funds: internal and external. Explain external sources of fund.
9. Explain, in brief, the points to be considered before financing corporate credit.
10. What is an option? Explain the types and characteristics of options.
11. What are the liquidity management theories? Explain how a company manages liquidity.
12. State the responsibilities of FEDAN.

Group "C"

[4 × 6 = 24]

Analytical Answer Questions:

13. The treasury department ensures that a company has sufficient cash available at all times to meet the needs of its primary business operations. In the light of this statement, explain the role of treasury department in a company.
14. Risk is an event that may cause damage to an institution's income and reputations. Explain different types of financial risk and non-financial risk of a company.
15. Explain in brief the capital market instruments.
16. What is asset liability management? Explain the objectives of ALM.

Group "D"

Comprehensive Answer Questions:

[4 × 3 = 12]

17. Read the following cases carefully and answer the questions that follow:
Nepal's banks are facing difficulty in extending more loans to the enterprises seeking credits as the Nepali banking system is facing liquidity crunch in recent weeks. Due to

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excessive lending compared to deposit collection during the early months of the current fiscal year 2018-19 that began in mid-July, the banking system is currently facing the liquidity crunch, according to bankers. This has prevented many banks from making further lending as per demands for the credits.

There is a lot of demand for loans due to boost in business confidence as Nepal has a stable government after the three-tier elections in 2017. But, banks are facing difficulty to lend to the enterprises as per their demands due to lack of adequate fund. This has forced the banks to delay providing loans to a number of borrowers. Such situation arose due to excessive lending in the first quarter of the current fiscal year.

Since mid-July, deposits in the commercial banks grew by 3.78 percent while lending surged by 7.7 percent. This led to the credit expansion close to the regulatory limit set by the Nepal Rastra Bank (NRB).

According to NRB, the banks should maintain the ratio of core capital combined with credit to deposit (CCD) at 80 percent. Currently, CCD ratio stands at 78 percent leaving the gap of just two percent for further lending, according to NRB. It means, if a large-scale withdrawal of deposit takes place, the banks will no longer be in the position to lend further.

It has been difficult for the banks to lend to the big borrowers in time. It takes time to arrange fund for big borrowers. Banks have concentrated on providing loans to the highly prioritized areas.

Nepali bankers said that the country's economy could be affected if the banks continue to face liquidity crunch in the days to come. The government of Nepal has targeted an economic growth of eight percent for the current fiscal year.

The liquidity crunch could affect the economy but, the extent of impact would depend on whether credits have been extended to the productive sector.

In order to support growth, Nepal's central bank took the strategy of making more funds to the banks to lend, allowing the banks even to borrow loans from foreign or international financial institutions. As per the NRB directive, the banks can borrow up to 50 percent of their core capital from foreign creditors.

Besides borrowing from abroad, the liquidity situation would be eased once the Nepali government's spending picks up in the upcoming months and then money would come to the banking system from the government's treasury. Usually, liquidity eases in the banking system during the final months of the fiscal year due to high government spending.

Questions:

- a. Why are commercial banks facing liquidity crunch?
- b. How can the commercial banks manage the high demand of loan in such a liquidity crunch situation?
- c. Are commercial banks following the instructions of NRB to maintain the CCD ratio? Explain.
- d. Write your opinion to solve this liquidity crunch situation faced by Nepalese commercial banks.



TRIBHUVAN UNIVERSITY
FACULTY OF MANAGEMENT
Office of the Dean
September 2019

Full Marks: 60
Pass Marks: 27
Time: 3 Hrs.

BBM / Sixth Semester / BNK 215: Capital and Money Market

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

Group "A"

Brief Answer Questions:

[6 × 1 = 6]

1. Define money and capital market.
2. Write major Government securities.
3. Define common stock.
4. Write the meaning of foreign exchange market.
5. Define mortgage backed securities.
6. Define over the counter market.

Group "B"

Descriptive Answer Questions:

[6 × 3 = 18]

7. Explain the emerging financial market in Nepal.
8. Consider the following information

Stock	Total shares outstanding	Market prices July 1, 2000	Market price July 1, 2010
Himalayan Bank	5,000	Rs 1,400	Rs 1,600
Everest Bank	5,000	Rs 800	Rs 900
Nabil Bank	10,000	Rs 1,600	Rs 1,800

Assume, these three stocks issued no additional shares and had no stock dividends or splits, Ignore cash dividend payments when computing this price index.

- i) According to value weighted method, what will its value be on July 1, 2010?
 - ii) According to price – weighted method, what will its value be on July 1, 2010?
9. Assume that the current yield-to-maturity on taxable corporate bond is 12 percent, while the current tax-exempt yield on municipal bonds of comparable quality and rating is 9 percent. Which bond is preferable if tax rate is 30 percent?
10. A Computer Chips Inc. is experiencing a period of rapid growth. Earnings and dividends are expected to grow at a rate of 15 percent during the next two years, and at a constant rate of 5 percent thereafter. Computer's last dividend was Rs 12, and the required rate of return on the stock of similar company is 12 percent. Calculate the value of the stock today.
11. A 10-year, 12% semiannual coupon bond, with a par value of Rs 1,000. The bond sells for Rs 1,100. What is the bond's yield to maturity?
12. Explain the causes of Thailand Financial crisis.

Group "C"

Analytical Answer Questions:

[4 × 6 = 24]

13. A Rs 100 par value Treasury bill has auction price of Rs 98. The number of days to maturity of the bill is 60 days.
- Calculate discount yield.
 - Calculate investment rate.
 - Calculate effective annual rate.
 - Interpret each of the answer calculated above.
14. Assume you found the following quotation for a Treasury bill in an issue of the Wall Street Journal.

Maturity	Days to maturity	Bid	Ask	Change	Ask Yield
11.14.011	170	5.57	5.55	-0.03	5.78

- Explain the difference in the "bid" and "ask" quotes.
 - Explain the "change" of -0.03.
 - Notice that the bill matures in 170 days and has an "ask yield" of 5.78 percent. Is this a 170 day yield or an annualized yield?
15. Consider the following information:
- | | |
|----------------------------------|--------|
| Stock price per share | Rs 600 |
| Margin requirement | 55% |
| Interest rate on margin accounts | 10% |
| Maintenance margin | 35% |
- Assume that an investor takes a long position without using margin. Calculate the rate of return if the stock is sold for Rs.700 per share after one year.
 - Assume that an investor takes a long position-using margin.
 - Calculate the stock price that will trigger a margin call.
 - Calculate the rate of return if the stock is sold for Rs 700 per share after one year.
 - Explain why the rate of return using margin is different from the rate of return without margin.
16. Explain interest rate structure in Nepal.

Group "D"

Comprehensive Answer Questions:

[12]

17. (a) Assume the following zero coupon bond with face value of Rs 1,000. That are available.

Bonds	Current price (Rs.)	Years
A	935	1
B	870	2
C	800	3
D	750	4

- i. Calculate the yield to maturity.
- ii. Calculate the 1 year forward rate starting in year 2.
- iii. Calculate the 2 year forward rate starting in year 3.

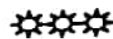
(b) Considered following information

Original mortgage balance of Rs 1,000,000, annual interest rate 12%, maturity 10 years.

- i. Calculate monthly mortgage payment.
- ii. Mortgage balance after 5 years.
- iii. Schedule principles after 5 years.

(c) On March 2013 the X-ray for 1 unit of HKD was NR 11.12 on April 2013 it come down to NR 11.05

- i. Which currency was appreciated on April 2013?
- ii. Which currency was depreciated on April 2013?
- iii. What is the appreciated and depreciated percentage?



254

352