

Mid-West University
Examinations Management Office
Surkhet, Nepal
Final Examination-2079
Bachelor of Business Administration (BBA)
Semester - III

Subject: Human Resource Management
Full Marks: 100 Pass Marks: 50

R.No.
Course Code: MGT432/ 332
Time: 3:00 Hours

SECTION A: MULTIPLE CHOICE QUESTIONS (1 × 15 = 15 MARKS) / (TIME: 15 MINUTES)

Tick the best answers.

1. HRM is more _____ whereas Personnel Management is slightly narrow
 - a. complex
 - b. detailed
 - c. mechanical
 - d. growth-oriented
2. _____ is a process for identifying and developing new leaders who can replace old leaders when they leave, retire or die.
 - a. Human Resource Management
 - b. Human Resource Planning
 - c. Succession Planning
 - d. Selection
3. What is the need for Human Resource Planning?
 - a. For undergoing an effective employee development program
 - b. To represent a base for recruitment
 - c. To represent a base for selection policy
 - d. All of the above
4. The process of analyzing jobs from which job descriptions are developed are called _____.
 - a. job analysis
 - b. job evaluation
 - c. job enrichment
 - d. job enlargement
5. A _____ is a written record of the duties, responsibilities and conditions of the job.
 - a. job ranking
 - b. job enrichment
 - c. job description
 - d. job enlargement
6. What does Job specification include?
 - a. Personal Characteristics
 - b. Psychological Characteristics
 - c. Physical Characteristic
 - d. All of the above
7. Which is not an advantage of internal source of recruitment?
 - a. Time Saving
 - b. New Blood
 - c. Less expensive
 - d. None of the above
8. Executive recruiters are also called _____.
 - a. head hunters
 - b. staffers
 - c. alternative staffing companies
 - d. contract technical recruiters
9. On the date of joining employee is introduced to the company and other employees. This process is called as:
 - a. training
 - b. orientation
 - c. introduction
 - d. fresher Welcome

10. A/An _____ is considered to be a vertical move in terms of rank and responsibilities.
- a. appraisal
 - b. reward
 - c. increment
 - d. promotion
11. Which one of the followings is one of kind of skills inventory, regression, replacement charts, Markov analysis?
- a. Training plan
 - b. Retention plan
 - c. Redundancy plan
 - d. Forecasting methods
12. The remuneration paid by employers for the services of hourly and daily to the employees is....
- a. wages
 - b. salary
 - c. benefits
 - d. incentives
13. Which one of the followings is not a characteristic of Trade Union?
- a. Voluntary Association
 - b. Intermediary
 - c. Common goal
 - d. Individual actions
14. Career development involves:
- a. conscious determination of career aspirations and potentialities of employees and matching them with the organization's needs
 - b. providing counselling to employees to choose their careers
 - c. providing information to employees about opportunities of employment
 - d. determining the potentialities of employees for a suitable career
15. A trade union activist or a troublemaker may be transferred to a remote branch where he cannot continue his activities. This type of transfer is known as.....
- a. remedial transfer
 - b. productive transfer
 - c. penal Transfer
 - d. versatility transfer

Mid-West University
Examinations Management Office
Surkhet, Nepal
Final Examination-2079
Bachelor of Business Administration (BBA)
Semester - III

Subject: Human Resource Management
Full Marks: 100 Pass Marks: 50

Course Code: MGT 432/332
Time: 3:00 Hours

You are required to answer in your own words as far as applicable. The figures in the margin indicate full marks.

SECTION B: SHORT ANSWER QUESTIONS (8 × 5 = 40 MARKS)

Answer any **EIGHT** questions:

1. What is HRM? Explain its important functions. [5]
2. The need of the proper human resource planning should be understood by the organization. "Do you agree or disagree? Justify the statement. [5]
3. Explain the different types of wage payment system with suitable examples. [5]
4. What do you understand by promotion? Explain the bases of promotion. [1+4]
5. What is transfer? Explain the types of transfer with a suitable example. [1+4]
6. Explain the various steps in collecting job analysis information. [5]
7. Define the term industrial dispute? Explain the main causes of industrial dispute [1+4]
8. Explain HRIS. Explain its role in Human Resource Planning. [2.5+2.5]
9. Write short notes on (any two) : [2.5+2.5]
 - a. Succession Planning
 - b. Orientation
 - c. Placement
 - d. Head Hunting
10. What does globalization mean for HR? Describe the emerging challenges to HRM in global perspective. [2+3]

SECTION C: LONG ANSWER QUESTIONS (3 × 10 = 30 MARKS)

Answer any **THREE** questions:

11. Explain the internal source of recruitment. Differentiate between recruitment and selection. [4+6]
12. What is selection? State and explain the steps of selection process. [2+8]
13. What is training? Explain the various methods of On-the Job and Off- the-Job training. [10]
14. Define the term job analysis. Differentiate between job description and job specification [2+8]
15. Discuss the methods of forecasting demand and supply for human resources. [5+5]

SECTION D: CASE STUDY (15 MARKS)

16. Read the case given below and answer the following questions:

Index is a medium-sized manufacturing company that specializes in the production of auto parts. The company had been managing its HR functions in-house for several years, but it was becoming increasingly difficult to keep up with the demands of the business. The HR department was understaffed, and the employees were overwhelmed with the workload. Index's management team realized that they needed to find a way to streamline their HR functions and make them more efficient. They considered hiring additional staff, but this would have been expensive and time-consuming. After some research, they decided that outsourcing their HR functions would be the best option. Management team began by conducting research into HRM outsourcing providers. They identified several potential providers and evaluated each one based on their experience, expertise, and pricing. After careful consideration, they selected Arika Outsourcing, a well-established HRM outsourcing company.

The implementation of the HRM outsourcing was a gradual process. The HR department at Index worked closely with Arika Outsourcing to ensure a smooth transition. Initially, Arika Outsourcing took over some of the routine administrative tasks, such as payroll processing and benefits administration. Over time, they gradually took on more responsibilities, including recruitment and employee relations.

- a. Discuss the major issues of the Index Company.
- b. How would you identify the outsourcing need in the company?
- c. If you were the General Manager of Index Company, what would be your strategy to select the proper HRM Outsourcing Company?]
- d. Explain the benefits of HRM outsourcing for the Index Company.

THE END

Mid-West University
Examinations Management Office
Surkhet, Nepal
Final Examination-2079
Bachelor of Business Administration (BBA)
Semester - III

R.No.

Subject: Cost Accounting

Course Code: MGT433/333

Full Marks: 100 Pass Marks: 50

Time: 3:00 Hours

SECTION A: MULTIPLE CHOICE QUESTIONS (1 × 15 = 15 MARKS) / (TIME: 15 MINUTES)

Tick the *best answers*.

1. The process of allocating overheads of service department into production department is known as:
a. allocation
b. segregation
c. apportionment
d. re- apportionment
2. Which is an intangible assets?
a. Goodwill
b. Machinery
c. Cash
d. financial assets
3. Which one of the following statements is true?
a. Variable cost per unit is fixed and fixed cost per unit is variable
b. Fixed cost per unit is fixed and variable cost per unit is variable
c. Fixed cost per unit and variable cost per unit both are variables
d. Fixed cost per unit and variable cost per unit both are fixed.
4. Balance sheet is prepared:
a. daily
b. weekly
c. monthly
d. annually
5. Which one of is the main objectives of financial accounting?
a. Shows financial statement
b. Cash balance
c. Accounting balance
d. Closing stock
6. What are the elements of cost?
a. Material cost
b. Overhead cost
c. Labour cost
d. all of the above
7. Annual needs 32000 units. Ordering cost per order Rs 500 Carrying cost per unit Rs 2. Unit of EOQ is
a. 2000units
b. 3000 units
c. 4000 units
d. 5000 units
8.is the overhead cost.
a. Direct material
b. Indirect labour
c. Cash
d. Stock
9. Which one of the followings is an example of business liability?
a. Land
b. Building
c. Common stock
d. Creditors
10. The cost of work to date is Rs 120,000 contract price Rs 250,000 work certified Rs 200,000 cash received 80% and total estimated cost is Rs 165,000. The amount of profit and loss under different methods is
a. Rs 68,000
b. Rs 54,400
c. Rs 61,818
d. All of the above

11. The estimated cost of 1000 units of production is Rs 93600 and expected profit on sales is 20%. The amount of sales is.....
- a. Rs 23,400
 - b. Rs 117,000
 - c. 118,000
 - d. Rs 112,320
12. The full form of ABC is:
- a. account based costing
 - b. average based costing
 - c. activity based costing
 - d. none of above
13.is the formula of overhead per unit:
- a. Total cost/unit
 - b. Average cost/Unit
 - c. Accounting cost/Unit
 - d. Total overhead/Unit
14. When the time saved is 50% of time allowed,
- a. The bonus of Rowan plan is more
 - b. The bonus of Halsey Plan is more
 - c. The bonus of Halsey and Rowan plan is the same
 - d. None of the above
15. Net profit as per cost accounting is Rs 9000. Factory expenses over charged Rs 1000 and office overhead undercharged in cost Rs 4500. Dividend paid, loss on sale of fixed assets and income tax paid are Rs 1500, Rs 1250 and 500 respectively. Net profit as per financial account is:
- a. Rs 6,750
 - b. Rs 2,250
 - c. Rs 3,250
 - d. None of the above

Mid-West University
Examinations Management Office
 Surkhet, Nepal
 Final Examination-2079
 Bachelor of Business Administration (BBA)
 Semester - III

Subject: Cost Accounting

Course Code: MGT 433/333

Full Marks: 100 Pass Marks: 50

Time: 3:00 Hours

You are required to answer in your own words as far as applicable. The figures in the margin indicate full marks.

SECTION B: SHORT ANSWER QUESTIONS (8 × 5 = 40 MARKS)

Answer any **EIGHT** questions:

1. What do you mean by inventory management? Explain any three objectives of inventory management. [2+2]
2. Briefly explain the types of cost on the basis of decision making. [5]
3. Differentiate between the time rate system and piece rate system of wages payment with examples. [5]
4. Explain the meaning of allocation, apportionment, and absorption of overheads with suitable examples. [4+1]
5. The cost structure of Maxima Manufacturing Company at different volumes of production has been given below.

Production in units	100	200	300	400	500
Cost in Rs	1200	1400	1600	1800	2000

Required:

- a. Segregation of cost into a variable and fixed component using the least square method. [4+1]
- b. Total cost for 1000 units
6. The following information on inventory requirements was given.

Annual requirement	180,000 kg	Purchasing cost per kg Rs 5
Carrying cost per year	Rs 2.25	Re order quantity 8,000 kg
- Required:
 - a. Ordering cost per order [3]
 - b. Total cost at order size of 6,000 kg after 2% discount. [2]
7. The standard time for a job is 20 hours. The hourly rate of guaranteed wages is Rs 8 per hour. A worker saved time and gets Rs140 under the Halsey Premium plan.

Required: [2]

 - a. Actual time taken [3]
 - b. Total earning of the worker under Rowan premium plan. [5]
8. Discuss the conditions of determining profit and loss on an incomplete contract. [5]
9. The following information is available from the books of Midwest Company.
 - a. Net profit as per cost accounting Rs100,000.
 - b. Selling overheads charged in financial account Rs 40,000 while recorded in cost account Rs 42,500
 - c. Works overhead over-absorbed by cost account by Rs 27,500.
 - d. Dividend paid Rs 25,000 was not recorded by the cost account.
 - e. Profit on sale of furniture Rs 22,500 recorded in financial account only.
 - f. Opening stock over charged in a financial account by Rs 20000. [5]

Required: Cost Reconciliation Statement.

10. Following information of inventory requirement was given.

Maximum stock level	110,000 Units
Re-order level	100,000 units
Consumption/day	1,000 – 3,000 units
Re- order period	10 - 20 days

Required:

- a. Re- order quantity [2]
- b. Minimum stock level [2]
- c. Average stock level [1]

SECTION C: LONG ANSWER QUESTIONS (3 × 10 = 30 MARKS)

Answer any **THREE** questions:

1-1. Explain the objectives of cost accounting. present on cost accounting differs from the management accounting. [5+5]

12. The following particulars relate to a contract undertaken by a firm of contractors:

- Raw Materials purchasedRs. 90,000
- Carriage and dutiesRs. 10,000
- Direct wagesRs 80,000
- Factory overheads 50% of direct wages
- Office overheads 10% of factory cost excluding directors salary is Rs 5000.
- Selling and distribution overheads is Rs 4 per unit.
- Output in units is 10000 units
- Profit 20% on sales.

The opening and closing inventory of the company is as follows:

	Opening		Closing	
	Units	Rs.	Units	Rs
Raw Materials	-	25,000	-	15,000
Work in Progress	-	30,000	-	22,000
Finished Goods	2,000	-	1,000	-

Required: Cost sheet showing:

- a. Cost of raw material consumed
- b. Prime cost
- c. Factory cost
- d. Cost of production
- e. Cost of Goods sold
- f. Profit
- g. Sales revenue

[2+2+1+2+1+1+1]

13. You decided to experiment by applying the principles of activity based costing to the three products currently made and sold by your company.

The details of three products and relevant information are given below for a period:

Items	Products		
	X	Y	Z
Volume in units	420	280	560
Data per product per unit:			
Direct material cost	50	60	30
Direct labor cost	25	19	15
Machine hours	5	4	3

The production overhead and cost drivers are

Cost Pools	Cost Drivers	Overhead (Rs)
Volume related cost	Machine hour	36,750
Set ups cost	No. of production runs	101,430
Stores receiving cost	No. of requisition raised	79,785
Quality control cost	No. of production runs	36,000
Material handling and dispatch cost	No. of order executed	97,650
Total		351,615

Additional Information

- Three products are similar and usually produced in a production run of 70 units.
- The number of requisition raised from the stores for the products are: X= 10, Y=15, and Z=20.
- The total number of orders executed was 63, each order being in a batch 20 units for each products.

Required:

- Total cost for each product by using activity based costing with CDR and CPU. [5+5]
14. A Construction Company, carrying out a large contract, maintains a separate account for each contract. The following particulars are related to the contract carried out during the year ended 31 of Ashad 2079.

Work certified by the architects.....	Rs 215,500
Material sent to site.....	97,000
Plant installed at site.....	17,000
Cost of work not yet certified.....	5100
Direct expenditure.....	3600
Material closing balance.....	2100
Direct expenses accrued.....	300
Cash received from the contractee.....	195,000
Labor engaged on site.....	82,200
Value of plant at end (closing).....	12,500
Establishment charges.....	5000
Wages accrued.....	2,700
Material returned to store.....	600
Contract price.....	300,000

Required: You are required to prepare a contract account, contractee's account, and show suitable items in the **Balance sheet** of the contractors as on 31 Ashad 2079. [5+3+2]

15. A manufacturing company Ltd. has five departments, A, B, and C are production departments, and X and Y are service departments. The actual cost for a period are as follows:

Electric Light	Rs 40,000	Supervision cost	Rs 60,000
Rent	Rs 30,000	Depreciation	Rs 35,000
General overheads	Rs 30,000		

Items	Production Department			Service Departments	
	A	B	C	X	Y
Direct wages (Rs)	10,000	8,000	12,000	4,000	5,000
Direct Material(Rs)	16,000	20,000	8,000	10,000	6,000
Area in sq. fit.	3,000	2,000	3,000	1,000	1,000
Value of plant	400,000	1,800,000	1000,000	200,000	100,000
Light points	2,500	1,500	2000	1500	500
Service rendered by X	30%	40%	30%	-	-
Service rendered by Y	55%	25%	20%	-	-

Required:

- a) The apportionment of the overhead cost to the various departments on the most equitable basis. [7]
b) The total cost for each production department. [3]

SECTION D: CASE STUDY (15 MARKS)

16. Read a case given below and answer the following questions:

A product passes through three processes. The output process - A becomes the input of Process B and output of Process-B becomes the input of Process-C. The entire output of Process-C was sold directly to the customers. The details of expenses incurred on the three processes during the period were as under:

Process-A	
Unit introduced: Material X	6000 units @ Rs 5 per unit
Material Y	4,000 units @ Rs 3 per unit
Sundry material	Rs 15,000
Labour	1,000 hours @ Rs 30 per hour
Direct expenses	Rs 10,000
Normal Loss	5%
Scrap value	Rs 4 per unit
Selling price of per unit of output	Rs 15
Output	9,300 units

Process-B	
Sundry material	Rs 17,000
Labour	1200 hours @ Rs 40 per hour
Other expenses	Rs 22,420
Normal loss	5%
Scrap value	Rs 7 per unit
Output	5890 units
Selling price per unit	Rs 30

Process-C	
Sundry material	Rs 10,000
Labour	500 hours @20 per hour
Direct expenses	Rs 24,175
Normal loss	Nil
Output	2,900 units
Selling price per unit of output	Rs 50

The two third of the output of Process-A and one half of the output of Process-B were passed on to next process and the balance was sold:

Required:

- a. Process accounts showing profit & loss. [4+4+4]
b. Normal loss account. [1]
c. Abnormal loss account. [1]
d. Differentiate between job costing and process costing. [1]

THE END

Mid-West University
Examinations Management Office
Surkhet, Nepal
Final Examination-2079
Bachelor of Business Administration (BBA)
Semester - III

R.No.

Subject: Business Law
Full Marks: 100 Pass Marks: 50

Course Code: MGT 431/331
Time: 3:00 Hours

SECTION A: MULTIPLE CHOICE QUESTIONS (1 × 15 = 15 MARKS) / (TIME: 15 MINUTES)

Tick the best answers.

1. All agreements are.....which agreement are made by consent of the parties.
a. contract
b. consideration
c. promise
d. consent
2. Acceptance isfor the legal contract.
a. unconditional
b. essential
c. not essential
d. conditional
3. A promises to deliver his watch to B and, in return, B promises to pay a sum of 2000. This is a /an
a. agreement
b. proposal
c. acceptance
d. offer
4. Valid contracts
a. are made by free consent
b. are made by competent parties
c. have lawful consideration and lawful object
d. all of the above
5. Agreement to murder a person
a. cannot be enforceable by law
b. is valid in law
c. is invalid for want of consideration
d. has no consensus ad idem
6. Mistake of fact makes a contract.....
a. void
b. proper
c. legally
d. illegally
7. The patient in a lunatic asylum who is at intervals of sound mind.
a. cannot contract during those intervals
b. can't contract
c. may contract
d. may contract during those intervals
8. A legal means of enforcing a right or correcting a wrong is a
a. breach
b. remedy
c. avoidance
d. beneficiary
9. relation is between the agent and principal.
a. Reciprocal
b. Friendly
c. Unfair
d. Fiduciary
10. What is the responsibility of the finder of goods?
a. Same responsibility as a bailee
b. Same responsibility as a trustee
c. Same responsibility as a pledgee
d. Same responsibility as the owner
11. Award means
a. prize
b. recognition
c. decision of arbitrator
d. price

12. An agreement to remain unmarried is
- a. valid
 - b. void
 - c. voidable
 - d. unenforceable
13. When there is no clear condition found that contract is said to be.....
- a. ambiguous
 - b. contingent
 - c. complete
 - d. quasi
14. According to the definition of Bailment.....is an important.
- a. delivery of goods
 - b. surety
 - c. co- sureties
 - d. earnest money
15. In a contract who is not a party that party..... for the implementation of contract.
- a. cannot sue
 - b. can sue
 - c. can sue by third party
 - d. implemented by law

Mid-West University
Examinations Management Office
Surkhet, Nepal
Final Examination-2079
Bachelor of Business Administration (BBA)
Semester - III

Subject: Business Law

Full Marks: 100 Pass Marks: 50

Course Code: MGT 431/331

Time: 3:00 Hours

You are required to answer in your own words as far as applicable. The figures in the margin indicate full marks.

SECTION B: SHORT ANSWER QUESTIONS (8 × 5 = 40 MARKS)

Answer any **EIGHT** questions:

1. Explain the features of law.
2. Discuss the nature of contract.
3. Explain the rules regarding valid acceptance.
4. What do you mean by consideration? Explain, when a contract without consideration is valid.
5. Explain the position of minor under the law of contract.
6. What do you understand by the term 'Quasi Contract'?
7. Who is sub agent? Show the differences between sub agent and substituted agent.
8. What are the rules of performance of contract?
9. Who is an unpaid seller? Explain the rights of an unpaid seller.
10. Define intellectual property? Explain the different types of intellectual property?

SECTION C: LONG ANSWER QUESTIONS (3 × 10 = 30 MARKS)

Answer any **THREE** questions:

11. All contracts are agreements but all agreements are not contracts. Explain.
12. What are the modes of termination of contract? Explain.
13. What is company? Explain the procedure regarding incorporation of company.
14. What is contract of pledge? Explain the cases of a pledge made by a non-owner.
15. Who is arbitrator? Explain the rights, duties and power of arbitrator.

SECTION D: CASE STUDY (15 MARKS)

16. Read the case given below and answer the following questions:

Mr. Pratik and Mr. Sanskar had dinner meeting after a long time. In between conversation Sanskar asked Pratik to buy his royal Enfield bike for Rs. 5 lakhs, Pratik told yes, he if he gave it for Rs. 3 lakhs to him. On the basis of this conversation, answer the following questions:

- a. What do you mean by offer? Can this conversation create an agreement? And why?
- b. What do you mean by counter offer? Mention the types of offer.
- c. What are the rules regarding valid offer?

THE END

Mid-West University
Examinations Management Office
Surkhet, Nepal
Final Examination-2079
Bachelor of Business Administration (BBA)
Semester - III

R.No.

Subject: Tourism and Hospitality Management
Full Marks: 100 Pass Marks: 50

Course Code: MGT 434/334
Time: 3:00 Hours

SECTION A: MULTIPLE CHOICE QUESTIONS (1 × 15 = 15 MARKS) (TIME: 15 MINUTES)

Tick the best answers.

1. Variability in tourism product & service in the sense of
 - a. product as it is related to feeling and experience.
 - b. quality of service is differing as per, who, what, when, how, why.
 - c. tourism product cannot be moved to the customer.
 - d. it cannot be provided by single enterprise.
2. Which one of the followings is not the characteristic of service marketing?
 - a. Value creation process
 - b. No stock maintenance
 - c. Use of tangible products
 - d. Price determination
3. means a pre-arrangement, prepaid trip that combines two or more travel components like airfare, airport transfer, accommodation, and other services.
 - a. Tour Packaging
 - b. Tourism Marketing Research
 - c. Tourism Product Planning
 - d. Tour Plan Promotion
4. What is IHRA stands for?
 - a. Intersectoral Hotel & Resort Association
 - b. International Hospitality Resource Agency
 - c. International Hotel & Restaurant Association
 - d. International Hotel & Resort Administration
5. is the right to use the brand, name and the business model of a specific parent hospitality company or hotellinks for a prescribed period for operation.
 - a. Franchise Hotel
 - b. Chain Hotel
 - c. Individual Hotel
 - d. Corporate Hotel
6. Transit hotels are usually found
 - a. nearby the city area
 - b. around highway
 - c. within core city area
 - d. nearby ports & terminals
7. Night-auditor is a part of department in the hotel.
 - a. front office
 - b. housekeeping
 - c. food & beverage service
 - d. food production
8. European Plan (EP) consisted of
 - a. a room with no meals as lunch, dinner, or breakfast
 - b. a room with breakfast and additional one meal from lunch or dinner
 - c. a room with breakfast and no meals: lunch & dinner
 - d. a room with additional two meals: continental breakfast, lunch & dinner

9. Adjacent room is that type of room at hotel which is
- sharing the same passage or floor in their front
 - sharing common wall together in same floor
 - share the floor & hallway parallelly in same floor
 - share same entrance for connecting room in same floor
10. is the art of creating a pleasant atmosphere inside the hotel with the addition of a complex of furnishings, art, and crafts, appropriately combined to achieve a planned result or design.
- Flooring & Furnishing
 - Room Furnishing & Decoration
 - Hotel Decoration
 - Interior Decoration
11. Which one of the sections of Housekeeping Department has direct connection or linkage with Front Office Department in the hotel?
- Laundry & Linen
 - Floor & Room Cleaning
 - Control Desk
 - Public Area Cleaning
12. The main physiological objective of F&B service is to satisfy:
- the need to taste different varieties of food.
 - the need to get F&B Services at the invested cost.
 - the need to find friendly atmosphere.
 - the need to elevate self-esteem.
13. The fixed menu is
- table d'hôte menu
 - static menu
 - a la carte menu
 - detour menu
14. The event has an international reputation for specific landmark as a 'must see' and that drive large-scale international tourism is
- niche event
 - participatory events
 - signature event
 - international events
15. Who is responsible to purchase various items as accordance of various departments as their needs at the hotel?
- Sales & Marketing Manager
 - Financial Controller
 - Procurement Manager
 - Departmental Heads

Mid-West University
Examinations Management Office
Surkhet, Nepal
Final Examination-2079
Bachelor of Business Administration (BBA)
Semester - III

Subject: Tourism and Hospitality Management

Full Marks: 100 Pass Marks: 50

Course Code: MGT 434/334

Time: 3:00 Hours

You are required to answer in your own words as far as applicable. The figures in the margin indicate full marks.

SECTION B: SHORT ANSWER QUESTIONS (8 × 5 = 40 MARKS)

Answer any **EIGHT** questions:

1. "Tourism not only positively contributes, but it also leaves socio-economic impact towards the society." Justify. [5]
2. Why is tourism & hospitality sector more sensitive than other business? Discuss. [5]
3. Briefly discuss accommodation sector with its history & development. [5]
4. Define travel agency. Indicate its type & functions. [2+3]
5. How is service marketing more challenging than general marketing approaches? Discuss with its characters. [3+2]
6. Briefly indicate the national & international organizations involved in tourism & hospitality sector. [5]
7. What are the operational & functional departments of hotel? Explain [5]
8. Why Front office department is considered as nerve center of entire hotel? Discuss with its functions. [3+2]
9. Define housekeeping department. Illustrate the organizational structure of housekeeping department. [2+3]
10. Write short notes: (Any two) [2.5+2.5]
 - a. Itinerary & Tour Package
 - b. MICE
 - c. Menu

SECTION C: LONG ANSWER QUESTIONS (3 × 10 = 30 MARKS)

Answer any **THREE** questions:

11. "Tourism is the base of hospitality & service sector." Indicate the importance of tourism with its components & characteristics in detail. [10]
12. Define hospitality industry and its scope. Discuss the recent emerging trends for its growth & development. [5+5]
13. What is hotel industry? Explain the various basis of classifications of hotel in detail. [2+8]
14. Introduce F&B service department & its functions at hotel. Explain the various types of services found in F&B service department. [5+5]
15. "Events play the essential to promote hospitality business." Justify its concept, needs & major key factors. [10]

SECTION D: CASE STUDY (15 MARKS)

16. Read a case given below and answer the following questions:

In order to be successful in the market it is not sufficient to attract new customers managers must concentrate on retaining existing customers implementing effective policies of customer satisfaction and loyalty. In hotel industry customer satisfaction is largely hooked upon quality of service. Customer satisfaction is a business philosophy which tends to the creation of value for customers, anticipating and

managing their expectations, and demonstrating ability and responsibility to satisfy their needs. A management approach focused on customer satisfaction can improve customer loyalty, thus increasing the positive image of the touristic destination. In recent decades, hospitality has become one of the largest, fastest growing, and most dynamic industrial sectors. It is an industry that includes many complementary businesses from many different fields. The impact of new technologies has played a fundamental role in the growth of the entire catering business.

Hence, exploring the importance for customers of hotel attributes in hotel selection is indispensable. Study on the topic of guest satisfaction, which translates into the consideration of whether customers will return to a hotel or advise it to other tourists, is pivotal to the success of the hospitality business. Neglecting to pay attention to those hotel attributes considered most important by guests, may lead to negative evaluation of the hotel, thus restricting the chance of repeat patronage.

In the case of the hotel sector, where service concern marketing & guest satisfactions are the core business value. Customer satisfaction & technology base service marketing has quickly gained great importance, both for better informing consumers and for developing more sophisticated strategies to increase market visibility.

Answer the following questions:

- a. Why should the guest be satisfied? What are the general attributes of service staffs they must pose? [2+3]
- b. What is service marketing? Discuss the major significances in the recent hospitality business need & trends. [2+3]
- c. Discuss the major area to improve optimum level of guest satisfaction & service marketing to develop the Nepalese tourism & hospitality sector. [5]

THE END

Mid-West University
Examinations Management Office
Surkhet, Nepal
Final Examination-2079
Bachelor of Business Administration (BBA)
Semester - III

R.No.

Subject: Financial Management-II
Full Marks: 100 Pass Marks: 50

Course Code: MGT 435/335
Time: 3:00 Hours

SECTION A: MULTIPLE CHOICE QUESTIONS (1 × 15 = 15 MARKS) / (TIME: 15 MINUTES)

Tick the best answers.

1. The risk of two securities with different expected return can be compared with:
 - a. coefficient of variation
 - b. standard deviation of securities
 - c. variance of Securities
 - d. none of the above
2. The beta of risk-free asset is.....
 - a. one
 - b. less than 1
 - c. zero
 - d. greater than 1
3. If an investment has expected rate of return less than required rate of return, the investment is said to be.....
 - a. overpriced.
 - b. underpriced.
 - c. fairly priced.
 - d. none of these.
4. A company relies on three sources of capital: preferred stocks, bonds, and common stock for its long-term financing. Rank in ascending order (i.e., 1= lowest, while 3= highest) the likely after-tax component costs of the company's long-term financing.
 - a. 1=bonds, 2= common stock, 3 = preferred stock.
 - b. 1 = bonds, 2= preferred stock, 3= common stock.
 - c. 1= common stock, 2= preferred stock, 3= bonds.
 - d. 1= preferred stock, 2= common stock, 3= bonds.
5. Which one of the following sources of funds for capital investment involves a tax adjustment to determine the cost of capital?
 - a. Retained profits
 - b. Issuing debt
 - c. Issuing common stock
 - d. All of the above involve a tax adjustment
6. Market values are often used in computing WACC because.....
 - a. this is the simplest way to do the calculation.
 - b. this is consistent with the goal of maximizing shareholder value.
 - c. this is required in Nepal by the SEBON.
 - d. this is a very common mistake.
7. Two firms that are identical in each and all respects except the capital structure is being sold in the market at different values. According to MM:
 - a. One will be at greater risk of bankruptcy.
 - b. The firm with greater financial leverage will have the higher value.
 - c. This proves that markets cannot be efficient.

- d. This will not continue because arbitrage will eventually cause the firms to sell at the same values.
8. What is the value of debt tax shield if the value of the firm is Rs 10 million, its value if unlevered would be Rs 9.56 million, and the present value of bankruptcy cost is Rs 0.72 million?
- a. Rs 280,000
b. Rs 440,000
c. Rs 720,000
d. Rs 1,160,000
9. Net income approach assumes that.....
- a. cost of debt and equity remain constant.
b. overall cost of capital remains constant.
c. use of debt increases both cost of debt and cost of equity.
d. none of the above
10. If a firm has a DFL of 5, this tells us that:
- a. If EBIT rises by 5%, EPS will rise by 5%.
b. If EBIT rises by 1%, EPS will rise by 1%.
c. If EBIT rises by 5%, EPS will fall by 25%.
d. If EBIT rises by 1%, EPS will rise by 5%
11. There is no operating leverage if there is no
- a. profit
b. sales
c. fixed cost
d. EPS
12. A Rs 500 par-value convertible debenture is selling at Rs 520. If the conversion ratio is 20, what is the conversion price?
- a. Rs 19.23
b. Rs 20.18
c. Rs 25.00
d. Rs 26.00
13. What is defined as the number of shares of common stock into which a convertible security can be converted? It also equals the par value of the convertible security divided by the conversion price.
- a. Premium over conversion value.
b. Conversion ratio.
c. Conversion price.
d. Conversion value.
14. If two firms in the same line of business merge together, it is called _____ merger.
- a. horizontal
b. vertical
c. straight
d. conglomerate
15. When a larger company acquires the smaller company and absorbs the business of the smaller company, it can be termed as.....
- a. merger
b. expansion
c. acquisition
d. none of the above

Mid-West University
Examinations Management Office
 Surkhet, Nepal
 Final Examination-2079
 Bachelor of Business Administration (BBA)
 Semester - III

Subject: Financial Management-II

Full Marks: 100 Pass Marks: 50

Course Code: MGT 435/335

Time: 3:00 Hours

You are required to answer in your own words as far as applicable. The figures in the margin indicate full marks.

SECTION B: SHORT ANSWER QUESTIONS (8 × 5 = 40 MARKS)

Answer any **EIGHT** questions:

1. Describe the role of correlation coefficient in reducing risk of the portfolio. [5]
2. Define cost of capital. Briefly explain the application of cost of capital in financial decision. [2+3]
3. Consider the following information for three stocks: Stock X, Stock Y, and Stock Z.

Stock	Beta
X	1.5
Y	1.0
Z	0.5

The rate of return on treasury bill (risk free asset) is 5 percent and market risk premium is 5 percent.

- a. Compute the required rate of return on the three stocks using CAPM. [3]
- b. If stocks X, Y, and Z have actual rates of return of 12.5, 11, and 6.5 percent, respectively, which one of the three stocks is overpriced, underpriced, and rightly priced? [2]
4. The following table contains the rate of returns on stock A and B for past 5 years.

Year	Rate of Return	
	Stock A	Stock B
2018	10%	15%
2019	30	-10
2020	-10	25
2021	5	20
2022	10	15

- a. Which stock has highest return? [1]
- b. Which stock is riskier in absolute term? [2]
- c. Calculate the coefficient of variation for each stock. [1]
- d. Which stock would you prefer? [1]
5. A company has warrants outstanding that allow the holder to purchase 3 shares of stock for a total of Rs 60 for each warrant. Currently, the market price per share of the company common is Rs 18. Investors hold the following probabilistic beliefs about the stock 6 months hence:

Market price per share	Rs. 16	Rs. 18	Rs. 20	Rs. 22	Rs. 24
Probability	0.15	0.20	0.30	0.20	0.15

- a. What is the present theoretical value of the warrant? [2]
- b. What is the expected value of stock price 6 months hence? [2]
- c. What is the theoretical value of the warrant 6 months hence? [1]
6. What do you mean by convertibles? Briefly explain the advantages of issuing convertibles to companies. [2+3]
7. Compute after-tax component cost of the following source of financing.

- a. Rs 1,000 par value, 9 percent coupon interest rate bond is selling at Rs 1,250 per bond. A new issue would have a flotation cost of 5 percent of the market price (i.e., Rs 1,250). The bond has a maturity period of 10 years and marginal tax rate is 40 percent.
- b. A new common stock issue that paid Rs 15 dividend per share. The par value of the stock is Rs 100 and its growth rate is 5 percent. The market price of the stock is currently Rs 120 but 6 percent flotation costs are anticipated. [2.5+ 2.5]
8. Company U and Company L are identical in every respect except that U is unlevered while L has Rs 10 million of 5 percent bonds outstanding. Assume that (1) all of the MM assumptions are met, (2) there are no corporate and personal taxes, (3) EBIT is Rs 2 million, and (4) the cost of equity to Company U is 10 percent.
- a. What value would MM estimate for unlevered firm? [1]
- b. Find the value of a levered firm? [1]
- c. What is the k_e for Company U? For Company L? [1.5]
- d. What is the weighted average cost of capital for Company U? For Company L? [1.5]
9. Kanchanjanga Company has the following income statement for 2020:

Sales	Rs. 200,000
Less: Variable operating costs	100,000
Contribution margin	Rs. 100,000
Less: Fixed operating costs	50,000
EBIT	Rs. 50,000
Less: Interest	10,000
Earnings before taxes	Rs. 40,000
Less: Taxes@50%	20,000
Earnings after taxes	Rs. 20,000
Less: Preferred stock dividends	10,000
Earnings available to common stockholders	Rs. 10,000

- a. What is the degree of operating leverage? [1]
- b. What is the degree of financial leverage? [1]
- c. What is the degree of total leverage? [1]
- d. If sales increase by 10 percent, by what percent would EPS increase? [1]
- e. If sales increase by 10 percent, by what percent would EBIT increase? [1]
10. Write short notes on: [2.5 + 2.5]
- a. Systematic risk
- b. Merger and Acquisition

SECTION C: LONG ANSWER QUESTIONS (3 × 10 = 30 MARKS)

Answer any **THREE** questions:

11. Discuss the different types of mergers. What are the problems associated with merger and acquisition in a developing country like Nepal? [4+6]
12. Butwal Manufacturing Company Ltd. is a new firm that wishes to determine an appropriate capital structure. It can issue 16 percent debt or 15 percent preferred stock. Total capitalization of the company will be Rs 5,000,000 and common stock can be sold at Rs 20 per share. EBIT is expected to be Rs 1,000,000. The company is expected to have a 50 percent tax rate. Two possible capital structure being considered are as follows:

	Plan 1	Plan 2
Debt	50%	50%
Preferred stock	-	20%
Equity	50%	30%
Total	100%	100%

- a. Determine the EPS under each plan. [6]
- b. Calculate the indifference point between plan 1 and 2. [3]

- c. Which plan is best? Why? [1]
13. Sunrise Company plans to issue 10 percent coupon, Rs 1000 par value, 10-year convertible bond. The bond is callable at Rs 1,045. The bond may be converted into 20 shares of stock with a current market price of Rs 40 per share. The stock price is expected to grow at a rate of 10 percent per year. Non-convertible bonds of same risk as Sunrise would yield 12 percent. In the past, company's policy has been to call convertible securities when conversion value reaches Rs 1,170.40.
- a. What is the conversion price? [1]
- b. Compute initial conversion premium. [1.5]
- c. Determine the straight bond value at $t = 0$ and $t = 6$. [3]
- d. Determine conversion value at $t = 0$ and $t = 6$. [2]
- e. Compute minimum price at $t = 0$ and $t = 6$. [1.5]
- f. What would debt holder do if bond was called at $t = 0$? and at $t = 6$? [1]
14. The following table gives earnings per share figures for Ruru Company during the preceding 5 years. The firm's common stock, 3 million shares outstanding, is now selling for Rs160 per share as of 1/1/2021, and the expected dividend at the end of the current year of 2021 is 60 percent of 2020 EPS, and investors expect constant growth rate.

Year	2020	2019	2018	2017	2016
EPS (Rs)	17.57	15.97	14.52	13.2	12

Current interest rate on new debt is 10 percent. The firm's marginal tax rate is 40 percent. Its capital structure, considered to be optimal, is as follows:

Debt	Rs. 120 million
Common equity	Rs. 180 million
Total liabilities and equity	Rs. 300 million

- a. Calculate the company's after-tax cost of new debt. [2]
- b. Calculate the cost of common stock, assuming that equity is all met by retained earnings. [4]
- c. Calculate the WACC, assuming that present capital structure is maintained. [4]
15. Gorkha Wine Company is presently family owned and has no debt. The Gorkha family is considering going public by selling some of their stock in the company. Investment bankers tell them the total market value of the company is Rs 10 million if no debt is employed. In addition to selling stock, the family wishes to consider issuing debt that, for computational purposes, would be perpetual. The debt then would be used to purchase stock, so the size of the company would stay the same. Based on various valuation studies, the net tax advantage of debt is estimated at 22 percent of the amount borrowed when both corporate and personal taxes are taken into account. The investment banker has estimated the following present values for bankruptcy costs associated with various levels of debt:

Debt (in Millions)	Present Value of Bankruptcy Costs
Rs 1	0
2	Rs 50,000
3	100,000
4	200,000
5	400,000
6	700,000
7	1,100,000
8	1,600,000

Given this information, what amount of debt should the family choose?

[10]

SECTION D: CASE STUDY (15 MARKS)

16. Read a case given below and answer the following questions:

The following table contains the probability corresponding expected future returns of Stock X and Stock Y:

Probability	Return on Stock X (R_X)	Return on Stock Y (R_Y)
0.2	-15%	-33%
0.1	4	22
0.1	14	0
0.2	22	27
0.4	37	43

- a. Using the above information calculate the expected rate of return for Stock X and Y. [1+1]
- a. Calculate the standard deviation of returns for each stock. [2+2]
- b. Calculate covariance of returns on Stock X and Stock Y [2]
- c. Calculate correlation coefficient between the return of two stocks. [1]
- d. Suppose you invested 75 percent of funds in Stock X and 25 percent on Stock Y. What are the expected return and standard deviation of returns on the portfolio? [1+2]
- e. What would be your best option for investment, only in Stock X or only in Stock B or portfolio? [2]
- f. If you add more random stock in your portfolio, what will be the impact of on risk of the portfolio? [1]

THE END