

# ACC 544-2: Corporate Tax Planning and Management

*Credits: 2*

*Lecture Hours: 32*

## **Course objectives**

This course aims to provide the students with the knowledge of tax laws, tax planning and tax management for decision making and enable them to work as tax experts and consultants in the corporate sector and tax administrator in the government of Nepal.

## **Course Description**

This course includes Concept and meaning of tax various modes of computing net incomes and tax liabilities of corporate business houses in Nepal. It includes computation of assessable income, taxable income and tax liability of corporate houses, customs duties and excise duties. The courses further deals on the concept of tax planning and tax management and its effect in investment and depreciation policy in timing of various management options.

## **Course Details**

### **Unit 1: Conceptual Foundation**

**LH 3**

Concept and meaning of tax ; Sources of financing in Nepal; Structure of tax revenue in Nepal; Historical development of tax laws in Nepal; Definition of related terms (Income Tax Act, 2058)

### **Unit 2: Corporate Income Tax**

**LH 8**

Introduction and Development of corporate income tax; Exemptions, concessions, reduction, deduction, tax credit, rebates, tax Rates and set off loss, treatment and carry forward of losses, inter-source and inter-head adjustments within country and outside country; Tax exempted institutions; Tax deduction at source and its treatment; Computation of assessable income, taxable income and tax liability under business other than proprietorship firm, deductible and non-deductible expenses. Composition of tax revenue.

### **Unit 3: Customs Duties**

**LH 3**

Introduction and evolution of Customs; Import and export procedures; Provisions regarding Jhitigunta; Classification of commodities under harmonized system, valuation system, customs tariff (Tax Rate Structure), exemptions, fine and penalties and appeal; Customs administration, Bonded warehouse, Automated System for Customs Data (ASYCUDA), WTO customs valuation system.

### **Unit 4: Excise Duties**

**LH 3**

Introduction and evolution of excise; Classification of excisable products; Obtaining of license and its termination; Determination of factory price; Physical control system; Method of excise assessment; Recovery ratios, exemptions, fines and penalties.

### **Unit 5: Concept of Tax Planning and Tax Management**

**LH 4**

Concept of tax planning, tax management and scope and significance; Tax evasion, tax avoidance, tax delinquency; Difference between tax planning and tax evasion, Tax planning and tax avoidance and tax planning and tax management.

### **Unit 6: Tax Planning for various Payments and Timing of Activities**

**LH 7**

Remuneration payment and self-employment; Capital structure and depreciation system; Location of industrial set up; Leasing or buying.

## **Unit 7: International Aspect of Taxation**

**LH 4**

Transfer pricing; Double Taxation and sources principle of taxation, Double taxation and double non-taxation; Taxation of Resident and non-resident related to shipping, airlines, transport, telecommunication or remittances, foreign tax credit, Avoidance of double taxation.

### **Books for Corporate Tax Planning and Management**

Lekhi, R.K *Public Finance*. New Delhi, Kalyani Publisher, India.

GON, *Income Tax Act*, 2058 with amendment, Kathmandu: Ministry of Finance, Government of Nepal.

GON, *Income Tax Rules*, 2059 with amendment, Kathmandu: Ministry of Finance, Government of Nepal.

GON, *Value Added Tax Act*, 2052 with amendment, Kathmandu: Ministry of Finance, Government of Nepal.

GON, *Value Added Tax Rules*, 2053 with amendment, Kathmandu: Ministry of Finance, Government of Nepal.

MOF. (various years). *Budget Speeches*. Kathmandu: Ministry of Finance, Government of Nepal.

MOF. (various years). *Economic Survey*. Kathmandu: Ministry of Finance, Government of Nepal

### **References**

Aryal, K.P. and Poudel, S.P., *Taxation in Nepal*. Kathmandu: (Updated) Bhundipuram Prakashan Pvt.Ltd.

Dhakal, K.D. Pandey, B. and Bhattarai, R., *Fundamentals of taxation*. Kathmandu: (Updated) MK Publishers and Distributors,

Kandel P.R. and Aryal, K P., *Fundamental of taxation and auditing*. Kathmandu: Bhundipuram Prakashan Pvt.Ltd

Kandel P.R., *Tax Laws and Tax Planning*. Kathmandu: Buddha Publication Pvt. Ltd

KC J.B. *Tax Laws and Tax Planning: Theory and Practice*. Kathmandu: (Updated) Khanal Books & Stationery Pvt.Ltd.

# **FIN 588-2: Financial Services Marketing**

*Credits: 2*

*Lecture Hours: 32*

## **Course Objective**

This course aims to develop students' understanding on the process, principles and strategies of marketing of financial services, particularly in the Nepalese context.

## **Course Description**

This course deals on the fundamental issues of marketing of financial services with a strategic focus. It includes a discussion on the introductory issues related to service marketing and financial service marketing. It also focuses on building the realization of the importance of internal marketing before the organization practice external marketing. The course seeks students' good understanding of the financial service marketing in Nepal through two seminar sessions of 3 hours each. Students also learn the key characteristics and priorities of financial service customers. Finally, the course deals on the design of the financial service mix components.

## **Course Details**

### **Unit 1: Introduction**

**LH 6**

Concept and need for financial service marketing; marketing orientation in financial institutions; service marketing – concept and special characteristics; strategic implications of the unique nature of service products; the service marketing mix – the seven Ps; special features of financial service marketing; competitive advantage factors in financial service marketing – uniqueness of products, value to buyers, price premiums, and psychological ownership.

### **Unit 2: Internal Marketing**

**LH 6**

Concept and need for internal marketing; internal marketing instruments – corporate mission development and communication; personal policies – recruitment and selection, promotion process, placement, and reward and punishment; performance appraisal; measurement of customer satisfaction – parameters for customer satisfaction index and measurement methods; psychological ownership – concept and need, cultivating psychological ownership among employees.

**Unit 3: Financial Service Marketing Environment** (Seminar Classes will focus on the impact of the followings on financial service marketing) **LH 6**

**Global environment focuses** – economics the most important consideration, deregulation, information revolution, globalization, WTO, recession and recovery, FDI, derivatives culture, and capital adequacy.

**Socio-cultural environment** – family structure and westernization, materialism, the emerging middle class in Nepal, borrowing culture, and transition in rural Nepal.

**Economic environment** – economic liberalization and deregulation, and economic restructuring in Nepal.

**Technological environment** – computerization and its challenges, funds transfers, payment mechanisms, and use of MIS.

**Legal environment** – Overview of regulatory mechanism affecting financial services in Nepal, role of NRB in regulation of financial services.

**Unit 4: Understanding Financial Customers** **LH 4**

Market segmentation practices in financial services – demographic, psychographic and benefit segmentation; characteristics of Nepalese financial customers – households, institutions, rural customers; relationship marketing – concept and use in Nepal.

**Unit 5: Financial Service Marketing Strategy** **LH 10**

Balancing needs of customers, employees and organization; designing financial service mix; product strategy – product mix, product package, and product augmentation; pricing – administered pricing and its implications, service charge, spread rates and profitability; pricing approaches; place – location of service outlets, ATMs, and online and tele-banking; mobile banking; promotion – promotional tools and their effectiveness; process – customer focused service processes; value chain in financial services; people – the service profit chain and internal branding; physical evidence – role of physical infrastructure and service escapes.

**Test Books and References**

Pezzullo, Mary Ann. *Marketing financial services*. Delhi: Macmillan India Ltd.

Seth, Rajeev. *Marketing of banking services*. Delhi: Macmillan India Ltd.

Ennew, Christine T. & Waite, Nigel. *Financial service marketing*. Oxford UK: Butterworth-Heinemann.

Farquhar, Jillian & Meidan Arthur. *Marketing Financial Services*. Palgrave Macmillan.

# **FIN 589-2: Banking**

*Credits: 2*

*Lecture Hours: 32*

## **Course Objective**

This course aims to acquaint students on the theory and practice of banking and its prospects in the new millennium.

## **Course Description**

This course contains introduction of banking, diversification of banking activities, management of risk in banking, global regulation of banking, the Nepalese banking system and regulation, modern banking, financial crises and competitive issues in banking.

### **Unit 1: Introduction**

**LH 4**

Concept, organizational structures, banking structures, financial conglomerates, central banking, Role of financial system and competing financial institutions, key trends affecting banking sector competition, The global financial system-current issues, Banking environment in Nepal.

### **Unit 2: Diversification of Banking Activities**

**LH 5**

The expansion of banks into non-banking financial services, the effect of non-interest income on Bank's total income, Global markets and centers, International banking, Banking issues in the 21<sup>st</sup> century.

### **Unit 3: Management of Risk in Banking**

**LH 5**

Key financial risks in the 21<sup>st</sup> century, approaches to the management of financial risks, Financial derivatives and risk management, Management of Market risks, Management of credit risk, Risk management by major global bank, the determinants of risk.

### **Unit 4: Global Regulation of Banks**

**LH 3**

Importance of regulation, International regulation, Basel 2-the three pillar approach, Alternative approaches to Basel, International financial architecture.

### **Unit 5: The Nepalese Banking system and Regulations**

**LH 7**

Evolution of banking, The bank market structure, pattern of ownership, banking sector reforms, monetary policy and its implications for banking sector, merger and acquisition, Nepal Rastra Bank Act 2058, Bank and Financial institution Act 2063, Banking Offense Act 2063, Antimony Laundering.

### **Unit 6: Modern Banking**

**LH 3**

Banking system and innovations, International banking- foreign exchange and trade finance, high-tech banking-E-payment systems and Electronic banking, Future of Banking and financial services, Modern banking in Nepal.

## **Unit 7: Financial Crises and Competitive Issues in Banking**

**LH 5**

Concepts and controversies, the south East Asian Crisis, 1997-99, The Japanese Banking Crisis, Scandinavian banking crises, Long term capital management, Lender of last resort, Measuring bank output, X-efficiency, scale economies and Scope Economies, Empirical models of competition in banking, Consolidation in the banking sector.

### **Text Books:**

Hefferman, Shelagh, Modern Banking, Wiley Publication.

Suresh, Padmalatha and Paul, Justin, *Management of Banking and Financial Services*, Pearson

Rose, Peter S. and Hudgins, Sylvia C. *Bank Management and Financial Services*, McGraw-Hill

*Principles of Banking*, American Bankers' Association.

Nepal Rastra Bank Act 2058.

Bank and Financial institution Act 2063.

Banking Offense Act 2063.

# FIN 590-2: Derivatives and Risk Management

*Credits: 2*  
*Lecture Hours: 32*

## **Course Objective**

The purpose of this course is to enable students to understand key financial derivatives, their pricing and markets. The course also aims at using the derivatives to manage financial risk of businesses.

## **Course Description**

This course broadly covers various aspects of option markets, pricing and trading strategies of stock options, and risk management techniques using derivatives. Major topics covered include: introduction, option markets and properties of stock options, trading strategies involving options, option pricing models, the mechanics of future markets, hedging strategies using futures, swaps, and financial risk management techniques and applications.

## **Course Details**

### **Unit 1: Introduction**

**LH 2**

Nature of financial derivatives features of financial derivatives, types of derivatives, uses and users of derivatives, critics of derivatives, and myths about derivatives.

### **Unit 2: Option Markets and Properties of Stock Options**

**LH 5**

Types of option, option positions, underlying assets, specification of stock options, OTC options market and exchange-listed option trading, factors affecting option prices, assumptions, upper and lower bounds for option prices, and put-call parity.

### **Unit 3: Trading Strategies involving Options**

**LH 4**

Protective put, covered call, straddles, spreads, and collar.

### **Unit 4: Option Pricing Models**

**LH 4**

One step binomial model, risk neutral valuation, two-step binomial trees, a put example, and Black-Scholes option pricing model.

### **Unit 5: The Mechanics of Futures Markets**

**LH 4**

Future markets, specification of futures contract, convergence of future price to spot price, daily settlements and margins, newspaper quotes, delivery, and forward vs. futures contract.

### **Unit 6: Hedging Strategies Using Futures**

**LH 4**

Basic principles, arguments for and against hedging, basis risk, and cross hedging.

**Unit 7: Swaps****LH 4**

Mechanics of interest rate swap, the comparative advantage arguments, the nature of swap rates, valuation of interest rate swaps, currency swaps, valuation of currency swaps, credit risks, other types of swaps.

**Unit 9: Financial Risk Management Techniques and Applications****LH 5**

Importance of the risk management, managing market risk using delta, gama and vega hedging, Value at risk (VAR), managing credit risk, perspectives of financial risk management, and derivatives mishaps and lessons.

**Text Books**

Hull, J. C. and Basu, S. (2010). *Options, Futures, and other Derivatives*. Singapore: Pearson Education Singapore Pvt. Ltd.

Chance, D. M. and Brooks, R. (2014). *An Introduction to Derivative and Risk Management*. New Delhi: Cengage Learning India Pvt. Ltd.

**References**

Kumar, S.S.S. (2007). *Financial Derivatives*. New Delhi: Prentice - Hall of India.

Parasuraman, N.R. (2013). *Fundamentals of Financial Derivatives*. New Delhi: Wiley India.



# MGT 574-2: Strategic Management

*Credits: 2*  
*Lecture Hours: 32*

## **Course Objective**

This course aims to provide students a comprehensive approach that covers issues across various spectra of business in the domain of strategic management. Different units of this course provide a thorough, state-of-the-art treatment of the critical business skills needed to plan and manage strategic activities.

## **Course Description**

This course contains introduction of strategic management, environment analysis, assessing the sustainability of advantage, strategic of formulation, Strategy Implementation, Strategy Evaluation and control.

## **Course Details**

### **Unit 1: Introduction**

**LH 5**

Concept, need for strategy, strategic management, relevance and challenges of strategic management in organizations, strategic management process, levels of strategy, vision, mission and objectives, strategic business unit, concept and features of strategic planning.

### **Unit 2 Environmental Analysis**

**LH 7**

Concept, environmental analysis, PESTLE analysis, SWOT analysis, Environmental scanning and its approaches, Scenario Planning, Structural analysis of competitive environment, competitor analysis, Environment threat and opportunity profile, Porter's five forces framework, The value net, strategy group.

### **Unit 3: Assessing the Sustainability of Advantage**

**LH 3**

The resource based view of the firm, strategic and threshold resources, Different types of resources, capabilities and competencies, value-chain analysis.

### **Unit 4: Strategic formulation**

**LH 8**

Directions for strategic development, business level strategies, generic strategies, joint development and alliances, Methods of strategic development, multi business strategy- The portfolio approach, the synergy approach, the corporate parent role.

### **Unit 5: Strategy Implementation**

**LH 4**

Process of strategy Implementation, organizational structure, leadership and culture, strategic control, resource planning at corporate and business levels.

### **Unit 6: Strategy Evaluation and control**

**LH 5**

Strategy Evaluation Overview of strategic evaluation, Strategic control, Techniques of strategic evaluation and control, problem in management and evaluation, Global Issues in Strategic Management.

**Text and References:**

Pearce, John, A. and Mital, Amita, Strategic Management: Formulation, Implementation and Control, McGraw-Hill.

Johnson, g. and Scholes, K. Exploring Corporate Strategy: Text and Cases, Prentice Hall of India

Haberberg, A and Rieple, A. Strategic Management, Theory and Application, Oxford Publication.

Henery, H.E. Understanding Strategic Management, Oxford

Porter, M. E. On competition, The Harvard Review Book Series.

Porter, M.E. The Competitive Advantage of Nations, Free Press.

Wheelen, T.L. and Hunger, J.D. Strategic Management and Business Policy, Pearson Education.

Adhikari, D.R. Strategic Management, Buddha Publication.

Bhattacharya S.C-, Strategic Management, S Chand, New Delhi.

Bhattacharya S.K. and N.Venkataramin: Managing Business Enterprises: Strategies, structures and Systems, Vikas publishing House New Delhi.

Coulter, Mary,K.Strategic Management in Action, Prentic Hallm , New Delhi.

David, Fred R. Strategic Management Prentic Hall, New Jersey.

Glueck, Willam F and Lawrence R, Jauch: Business Policy and Strategic Management, McGraw Hill,International Edition.

Kazmi, Azhar, Business Policy, Tata McGraw hill, Delhi.