

Tribhuvan University
2082

B.B.S. (4 Yrs.) / III Year / MGMT
Taxation in Nepal
MGT. 224 (New Course)

Full Marks: 100
Time: 3 hrs.

*Candidates are required to give their answers in their own words as far as practicable.
The figures in the margin indicate full marks.*

Attempt ALL Questions

Brief Answer Questions

[10×2=20]

1. Define direct tax with example.
2. What do you mean by "Non-chargeable business assets"?
3. Explain the meaning of "Canon of Certainty"?
4. What do you mean by Permanent Account Number (PAN)?
5. Briefly describe the provision related to quantification of accommodation facilities provided to an employee.
6. William is foreign citizenship holder arrived in Nepal on 1st Falgun, and stayed in Nepal at the end of Ashadh of previous income year. He earned in Nepal Rs. 500,000 as consultancy fee.
Required: Residential status and tax liability of William.
7. Bikram, a resident of Nepal furnished the following particulars of his income for the previous year.
 - a. Assessable income from garment business Rs. 500,000
 - b. Assessable loss from trading business Rs. 100,000
 He has claimed the following deductions:
 - i. Pollution control cost Rs. 225,000**Required:** a. Adjusted taxable income and allowable Pollution control cost.
8. Mr. Nepal is retired government employee and received pension income Rs. 612,500 including one month equal Dashain allowance.
Required: Compute tax liability with explanation.

(1)

9. A trading organization supplied the following information.
 - a. Beginning inventory of merchandise of Rs.175,000
 - b. Import of merchandised during the year Rs.500,000
 - c. Customs duty paid Rs.50,000 for merchandised products.
 - d. Freight charges Rs.25,000 for merchandised products.
 - e. Ending inventory value costing Rs.50,000 but the market value Rs.70,000.**Required:** Cost of trading goods.
10. Binod is presumptive taxpayer has total turnover and income amount Rs.3 million and Rs.3 lacs respectively. Firm is situated in Pokhara Metropolitan City. What will be the tax payable of such presumptive taxpayer?

Short Answer Questions

Attempt any FIVE questions.

[5×10=50]

11. Satyam is a disable government officer. He was promoted to this post on 1st Shrawan 2072, at a salary scale of Rs. 57,000-1000-60,000-EB-2,000-72,000. The other details provided by him for the previous years are as follows :
 - a. Chief allowance Rs.15,000 P.m.
 - b. Remote area allowance: 10% of salary.
 - c. Life subsistence allowance Rs. 4,000 P.m.
 - d. Salary in lieu of leave Rs. 50,000
 - e. Overtime income received Rs. 30,000
 - f. Office has provided a free quarter and car facilities.
 - g. A Cook facility was provided by the office. Cook salary was Rs. 6,000 P.m. and his contribution towards this facility was Rs. 2,000 P.m.
 - h. Meeting allowance Rs. 18,500 (Net) per meeting for 20 meetings
 - i. Interest on fixed deposit (Net) Rs. 95,000.
 He claimed the following income and expenses:
 - a. Assessable (Net) income from business Rs. 200,000
 - b. He is a member of Recognized Provident Fund contributing 10% of his salary towards this fund and office also contributed 12 percent.
 - c. Salary of guard Rs. 1,500 P.m. who was appointed by Satyam.

(2)

- d. Life insurance premium Rs. 3,000 P.m. policy of Rs. 500,000.
- e. Unabsorbed medical tax credit amount Rs.2,000.
- f. He paid advance income tax Rs. 1,500 P.m.
- g. Donation to government local bodies Rs. 110,000 and political party Rs. 40,000.

Required:

- a. Net (assessable) income from Employment
- b. Statement of Total Taxable Income
- c. Tax liabilities (5+3+2)

12. Given is the summarized statement of cash pertaining to Doctor, Abhinay for the previous income year.

Receipts	Amount	Payments	Amount
To Balance b/d - Cash in hand	50,000	By Office rent paid	50,000
Cash at Bank	200,000	By Purchased of computer on Falgun	90,000
To Patient examination fees	850,000	By Telephone & communication expenses	30,000
To Patients counselling fees	300,000	By Salary to assistants	200,000
To Consultation fees after TDS	170,000	By Life insurance premium (Own)	50,000
To Dividend received	40,000	By Research and development	80,000
To Interest on investment	120,000	By Other office expenses	120,000
To Lottery income received	30,000	By Water/Electricity expenses	30,000
To Other professional incomes	70,000	By Refreshment & hospitality expenses	20,000
To Visiting fees	100,000	By Insurance premium of office	15,000
To Salary received from part time lecturer at NAME institute	170,000	By Donation paid	50,000
		By Balance c/d	1,365,000
Total	2,100,000	Total	2,100,000

Further information:

- a. Other professional incomes includes:

(3)

- i. Bad debt recovered Rs.10,000 which not allowed in previous year.
- ii. Income from pathological test Rs. 50,000
- iii. Gifts received from patients Rs. 10,000
- b. Water/electricity expenses are used equally for professional and personal purpose.
- c. Outstanding office salary Rs. 30,000 is yet to be paid.
- d. Visiting fees includes Rs. 2,000 relating to three years ago professional income.
- e. Advance consultation fees Rs. 50,000 is not shown in above receipts account.

Required: a. Assessable (Net) income from profession

b. Statement of taxable income

c. Tax liability (6+2+2)

13. (a) An importer imports certain goods of Rs. 100,000. No VAT was paid on it. The goods pass through importer to retailer before reaching to final customer. Additional packaging and administrative costs incurred by each Rs. 5,000. Profit charged by importer and retailer 20 percent on their cost price.

Required: a. Cost price of the final consumer.

b. Total VAT to government.

(2+3)

(b) Define value added tax and its objectives.

(5)

14. (a) Regmi furnished you following particulars of income and expenses for the previous income year.

a. Rent from building let out after TDS	Rs. 180,000
b. Rent from subletting of building let out after TDS	Rs. 450,000
c. Interest received from financial institution	Rs. 100,000
d. Interest received from unrecognized sector after TDS	Rs. 340,000
e. Dividend received from resident company after TDS	Rs. 150,000
f. Dividend received from foreign country after TDS	Rs. 200,000

(4)

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- g. Mining rent from natural resources after [TDS Rs. 90,000] Rs. 510,000
 h. Rent from plant and machinery let out after TDS Rs. 90,000
 i. He received gain on sales of non-listed share in NEPSE Rs. 200,000.

Regmi claimed the following expenses to deduct.

- a. Collection charge of building let out Rs. 10,000
 b. Rent paid to subletting of building Rs. 120,000
 c. Allowable depreciation of plant and machinery Rs. 10,000.
 d. Life insurance premium Rs. 50,000
 e. Previous year cumulative investment loss Rs. 50,000

Required : a. Net assessable income from investment.

- b. Statement of total taxable income (4+1)

(b) Described the provision of withholding method of tax collection as per the Income Tax Act, 2058 with example. [5]

15. Personal and household expenses are expressly disallowed amounts in computation of taxable income as per the Income Tax Act, 2058 under section (21). Explain. (10)

16. What do you mean by tax auditing? How does it differ from financial auditing? (10)

Long Answer Questions

Attempt any TWO questions. [2x15=30]

17.(a) Following are the details of the fixed assets of proprietorship organization:

Particulars	Block C	Block D
Beginning WDV	1,000,000	1,000,000
New addition during the year:		
Toyota Car purchased on 21 st Mangsir	400,000	
Purchase of plant on 20 th Chaitra		180,000
Second hand Maruti car purchased on 15 th Baishakh	600,000	
Repairs and maintenance during the year	80,000	80,000
Disposal of the parts of plant and machinery written down value Rs. 150,000 disposed of Rs. 120,000		

Required:

(5)

- a. Allowable repairs and depreciation
 b. Written down value of fixed assets at the end of fiscal year. (4+4)
 (b) Following are the profit and loss position of a trader for the previous income year:

Years	Profit or (Loss)
1	(260,000)
2	(140,000)
3	(50,000)
4	(50,000)
5	100,000
6	(50,000)
7	120,000
8	110,000
9	800,000

Additional information:

- a. On scrutiny, it revealed that profit of 6th year was derived after deducting donation Rs. 50,000 to tax exempt entity.

Required: Taxable income of the firm giving explanation wherever is necessary. (7)

18. Given below is the trading, profit and loss account of a proprietorship organization.

Particulars	Amount	Particulars	Amount
To Opening stock	425,000	By Sales	8,600,000
To Purchase	49,50,000	By Closing stock	400,000
To Carriage on purchase	125,000		
To Wages	400,000		
To Gross profit c/d	31,00,000		
	90,00,000		90,00,000
To Office rent paid	150,000	By Gross profit b/d	31,00,000
To salary	550,000	By Sundry receipts	1,00,000
To General expenses	65,000	By Dividend received	50,000
To Legal expenses	20,000	By Refund of customs duty	50,000
To Local tax paid	50,000	By Bad debt recovered	40,000
To Interest on bank overdraft	30,000	By Agriculture income	10,000
To Fine and penalties	5,000	By Rent from staff quarter	25,000
To Life insurance premium (Own)	30,000	By Speculation incomes	25,000
To Insurance premium of fixed assets	15,000	By Gain on non-chargeable business assets	100,000
To Pollution control cost	225,000		
To Depreciation (Block - D)	50,000		

(6)

To Membership renewal charges	5,000		
To Provision for tax	10,000		
To Donation	110,000		
To Advance tax paid	20,000		
To Drawing by proprietor	30,000		
To Net profit	21,35,000		
	35,00,000		35,00,000

Further information:

- a. Opening and closing stock were undervalued by Rs. 25,000 and Rs. 30,000 respectively.
 b. Purchase includes Rs. 250,000, the value plant purchased on Kartik of previous year, beginning depreciation base amount of plant was Rs. 50,000. No part of plant was sold during the previous year.
 c. 70% of donation was paid to non-approved institution by Inland Revenue Department and balance paid to TE organization.
 d. Sixty percent of bad debts recovered were allowed previously.
 e. General expenses include:
 a. Rs. 60,000 printing and stationery expenses paid at a time by cash, while banking facility is available within 10 KM.
 b. Rs.5,000 fine paid to the Nepal Electricity Corporation.
 f. Loss from business last year stood Rs. 150,000

Required

- a. Net (assessable) Income from business
 b. Statement of total taxable Income
 c. Tax liabilities (10+3+2)

19. (a) What is tax assessment? Briefly describe the self-assessment of tax. (8)

(b) "Tax is the compulsory contribution from a person to government". Explain. (7)

(7)

Tribhuvan University

2082

B.B.S. (4 Yrs.) / III Year / MGMT
Foundation of Financial Systems
MGT- 226 (New Course)

Full Marks: 100
 Time: 3 hrs.

Candidates are required to give their answers in their own words as far as practicable.
The figures in the margin indicate full marks.

Brief Answer Questions
 Attempt All questions.

Group "A"

[10×2=20]

1. What do you mean by financial market.
2. Write about the money market instrument.
3. On Shrawan 24, 2081 NEPSE is 2766.38 and total turnover is Rs. 20,070,434,103. Write the meaning of these values.
4. State the roles of CDS and clearing Ltd. in Nepal.
5. What do you mean by market index?
6. Write the meaning of ancillary financial services
7. How does open-end fund differ from closed end fund?
8. Calculate return on assets if profit margin ratio is 10 percent and assets utilization ratio is 2 times?
9. A T-bill with face value Rs 10,000 and 180 days to maturity is selling at Rs 9,700, what will be annual yield on T-bill?
10. Gap ratio of Bank A and Bank B are 25 and 30 percent respectively. Which bank is more interest rate sensitive? Why?

Group "B"

[5×10=50]

- Descriptive Answer Questions**
 Attempt FIVE questions.
11. What do you mean by exchange rate? Explain the types of exchange rate system.

(1)

[4+6]

12. What is primary market? Explain the role/functions of primary market in Nepal. [4+6]
13. Himalaya Power Company plans to raise an additional Rs 50 million through rights offerings. Current market price per share of the bank is Rs 150. It has 2,000,000 shares outstanding. Stockholders are offered a new share at a price of Rs 100 each.
 - a. How many new shares will have to be sold to raise required funds?
 - b. How many rights will be required to purchase a new share?
 - c. Calculate the theoretical value of a rights.
 - d. Calculate ex-right price.

14. The following are the information extracted from financial statements of Bank A and Bank B for the fiscal year 2080/81 (in Million Rs)

	Bank A	Bank B
Total assets	Rs. 50,000	Rs. 75,000
Non-interest income	650	800
Interest income	7,000	9500
Interest expenses	3,200	4,100
Loans, advances and bill purchased	25,000	30,000
Investments	8,000	10,000
Interest bearing deposits	34,000	42,000
Debtenture and bond	1,200	1,500

- a. Calculate non-interest income ratio of both banks for the fiscal year 2080/81.
 - b. Calculate net interest margin ratio of both banks for the fiscal year 2080/81.
 - c. Calculate spread ratio of both banks for the fiscal year 2080/81.
 - d. How do you evaluate both bank's performance on the basis of calculated ratios?
15. A mutual fund has 10,000 shares of Company A currently trading at Rs 250, and 20,000 shares of Company B currently trading at

(2)

P.T.O.

Rs 240. The fund has issued 600,000 shares and current liability is as 100,000.

- a. What is the NAV of the mutual fund?
- b. If investors expect the price of the Company A's shares to increase to Rs 300 and price of Company B's shares to decline Rs 220 by the end of the year, what is the expected NAV at the end of the year? [4+6]

16. Write notes on (Any two)
- a. Non-depository financial institution
 - b. NEPSE
 - c. Further Public Offering

Group "C"

Analytical Answer Questions [2×15=30]
Attempt any TWO questions.

17. Why do Bank and Financial Institution (BFIs) need to be regulated? Explain the role of NRB in regulation of BFIs. [9 +6]
18. Nepal Rastra Bank has published summary of BOP for the first eight months for the fiscal year 2023/24. Summary of current account for the first eight months of the fiscal year 2023/24 is as follows:

Summary of Current Account (Rs. in million)

Particulars	Credit	Debit
Goods and services:	310,000	1,510,000
Goods	250,000	1,150,000
Services	60,000	360,000
Primary income	38,000	16,000
Secondary income	600,000	15,000

(3)

On the basis of data given above, answer to the following questions:

- a) What is the net of goods and services account during the given period of three fiscal years?
- b) What is the net of primary income account and secondary income account during the given period of fiscal year?
- c) Which accounts have contributed to increase the current account deficit?
- d) Which accounts have contributed to decrease the current account deficit?
- e) What is the trade deficit/surplus during the first eight months of given fiscal year?

19. Assume that it is now January 1, 2024. The rate of inflation is expected to be 5 percent throughout 2024. However, increased government deficits and other reasons in the economy are then expected to push inflation rates higher. Investors expect the inflation rate to be 6 percent in 2025, 7 percent in 2026, and 8 percent in 2027. The real risk-free rate currently is 2 percent. Assume that no maturity risk premium is required on bonds with 5 years or less to maturity. The current interest rate on 5-year T-bonds is 9 percent
- a. What is the average expected inflation rate over the next 4 years?
 - b. What should be the prevailing interest rate on 4-year T-bonds?
 - c. What is the implied expected inflation rate in 2028, or year 5, given that bonds which mature in that year yield 9 percent?
 - d. Briefly explain the factors affecting interest rate.

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(4)

TRIBHUVAN UNIVERSITY

2082

B.B.S. (4 Yrs.) / III Year / MGMT

Business Law

MGT. 204 (New Course)

Full Marks: 100

Time: 3 hrs.

Candidates are required to give their answers in their own words as far as practicable.

The figures in the margin indicate full marks.

Group "A"

Brief Answer Questions

[10×2=20]

Attempt ALL questions.

1. Define substantive law.
2. Give the meaning of offer.
3. What is fraud?
4. State any two rules of performance of contract?
5. Define condition.
6. State the term carriage of goods by land.
7. Mention the rights of surety.
8. Point out the features of company.
9. Write the hierarchy of courts of Nepal.
10. State any two objectives of Industrial Enterprises Act, 2076.

Group "B"

Descriptive Answer Questions

[5×10=50]

Attempt any FIVE questions.

11. Discuss the consequences for the business if there is no proper business laws in the state?

P.T.O.

12. Who can accept the offer? Explain about revocation and lapse of acceptance.
13. Who is unpaid seller? Explain the rights and duties of unpaid seller.
14. Give the meaning of dissolution of a company. Describe the procedures relating to the liquidation of a company.
15. Explain about the civil procedures in Nepal.
16. Describe the legal provisions on registration and conditions in which it can be refused to register trademark as per the Patent, Design and Trademark Act, 2022.

Group "C"

Analytical Answer Questions

[2×15=30]

Attempt any TWO questions.

17. "Business law is that part of law which regulates transactions of all business community." Comment this statement in detail.
18. Explain the concept of quasi-contract with suitable examples. Discuss the case of quasi - contract as per the Muluki Dwewani Sanhita, 2074.
19. Discuss the various kinds of company's meeting. Explain about process and procedure to call the special general meeting of a public limited company.

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TRIBHUVAN UNIVERSITY

2082

B.B.S. (4 Yrs.) / III Year / MGMT
Business Environment and Strategy
MGT. 217 (New Course)

Full Marks: 100
Time: 3 hrs.

Candidates are required to give their answers in their own words as far as practicable.

The figures in the margin indicate full marks.

Group "A"

Brief Answer Questions

[10×2=20]

Attempt ALL questions.

1. What do you mean by scanning of environmental forces?
2. Point out four reasons of the study of business environment.
3. Define the term 'trademark'.
4. Give the meaning of management contract.
5. List out any two features of scenario building of industry analysis.
6. Provide the concept of portfolio analysis.
7. What is strategic audit?
8. Name the porter's generic strategies.
9. What is strategic information system?
10. Point out any two requirements for strategy implementation.

Group "B"

Descriptive Answer Questions

[5×10=50]

Attempt any FIVE questions.

11. Distinguish between monitoring and assessment as process of environmental analysis with examples.

P.T.O.

12. What is political risk? Explain in brief the major political environment issues on business.
13. State and explain in brief the current Labour Act of Nepal.
14. How do socio-cultural components influence on business in Nepal? Explain.
15. Explain in brief the roles of CEO in strategic management.
16. How is PESTEL analysis prepared? Explain with examples.

Group "C"

Analytical Answer Questions

[2×15=30]

Attempt any TWO questions.

17. Critically examine the pros and cons of liberalization on Nepali business. (15)
18. Why is SWOT prepared? How does SWOT analysis support in preparing the strategies of the firm? Discuss with examples. (5+10)
19. Why does an organization prepare strategic advantage profile (SAP)? Critically evaluate the major issues and factors of SAP. (5+10)

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TRIBHUVAN UNIVERSITY

2082

B.B.S. (4 Yrs.) / III Year / MGMT

Fundamentals of Marketing

MGT 214 (New Course)

Full Marks: 100

Time: 3 hrs.

Candidates are required to give their answers in their own words as far as practicable.

The figures in the margin indicate full marks.

Group "A"

Brief Answer Questions

[10×2=20]

Attempt ALL questions.

1. Give the meaning of marketing.
2. What are the features of the marketing environment?
3. What is the marketing information system?
4. Enlist the consumer buying process.
5. Who are the participants in the business buying process?
6. Give the meaning of branding.
7. What is break-even pricing?
8. Give the meaning of the target market.
9. What is marketing channel?
10. What is personal selling?

P.T.O.

Group "B"

Descriptive Answer Questions

[5×10=50]

Attempt any FIVE questions.

11. Explain the marketing research process.
12. Describe the market segmentation practices in Nepal.
13. Differentiate between consumer products and industrial products.
14. Describe the competition-based pricing.
15. What are the types of wholesalers? Explain.
16. Explain the marketing communication process with an example..

Group "C"

Analytical Answer Questions

[2×15=30]

Attempt any TWO questions.

17. Define the marketing mix. Discuss the components of the marketing mix. (5+10)
18. What is the new product? Explain the new product development process. (5+10)
19. What do you mean by sales promotion? Discuss the methods of consumer promotion with examples. (5+10)

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