

**TRIBHUVAN UNIVERSITY**  
**FACULTY OF MANAGEMENT**

Office of the Dean

September 2019

Full Marks: 60

Pass Marks: 27

Time: 3 Hrs.

**BIM / Sixth Semester / MGT 206: Business Environment in Nepal**

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

**Group "A"**

**Brief Answer Questions:**

[10 × 1 = 10]

1. List out the features of business environment.
2. What is economic environment?
3. Define political risk.
4. Make a list of trade policy of Nepal.
5. List out the benefit to Nepal being member of BIMSTEC.
6. What is e-business?
7. Write full form of SEZ and PESTLC.
8. Point out the problems of agricultural environment in Nepal.
9. Define cultural environment.
10. List out the benefits of WTO membership for Nepal.

**Group "B"**

**Short Answer Questions:**

[6 × 5 = 30]

11. What is environment scanning? Explain methods of environmental scanning.
12. Explain the significance of analysis of business environment.
13. Analyse the Foreign Investment and Technology Transfer Act, 1992.
14. What are the different provisions in current monetary policy of Nepal.
15. Explain major causes for poor FDI inflow in Nepal.
16. Explain the capital market reforms in Nepal.

**Group "C"**

**Comprehensive Answer Questions:**

[4 × 5 = 20]

17. Read the following case carefully and answer the questions given below:

Hari Khadka is CEO of the HHD Premium coffee Pvt. Ltd., started after two years of completing his BHM degree from TU. Just after completing his bachelor degree, he tried much for abroad, unfortunately he did not succeed. As one might expect, he is passionate about coffee – its science, its health benefits, its taste, its beauty. Khadka, then studied the alternative business in Nepal and found that coffee market might be appropriate for him. He started the coffee shop with investment capital of NRs. 35 lakhs, in main part of Kathmandu, Jamal. He was excited that he can have quick return as the coffee lovers enjoy art of making coffee.

Unfortunately, the current coffee market differs from such an ideal trend in Kathmandu. Quality of the coffee not only depends on art of making coffee but on the coffee production process as well. Coffee growers in most parts of the globe work at a barely subsistence level. Bad harvest by the damage of climate change or a sudden decline in the commodity price of coffee can drop them below subsistence level of consumers. Even in good times, growers have little incentive to improve their operation – they have minor contact with the roasters or customers and no knowledge of how their crops get translated into the cup. This disadvantages not only the grower but also the consumer – coffee sourced from good quality beans is hard to find. Some big and established coffee makers in Kathmandu like Himalayan Java have their own coffee farming. This could be more challenging to the coffee houses like Himalayan Premium.

Currently, Nepal is heading to political stability and hence Hari believes that economy will be accelerated with greater positive vibrations. This will help to enhance the revenue. He is also planning to expand the coffee shop with popular restaurant menu. He expects that his coffee shop as being at heart of city will be more popular for all the people ranging from young couple to business people to the common shoppers around Jamal, New Road, Putalisadak, Kings Way, etc. At the same time, drinking coffee is being an elite culture in the city which will further boost up with Nepal Visit Year 2020. Many people prefer coffee as the sign of business etiquette. But the major challenge is to provide the quality coffee at the attracting and trusting price. About 250,000 people are directly involved in restaurant business as employer as well as employees but some notable problems like problem of skilled labor, issue of labor welfare, issue of service charge distribution, etc. are still unsolved. Problem of employee retention is the most common problem.

### **Questions:**

- a. Prepare a SWOT analysis of HD Premium Coffee.
- b. How political and socio-cultural changes could be supportive for the business? Justify.
- c. How do you fit Porter's Five Forces Model in the case?
- d. What do you suggest Hari to compete with established large organizations and small coffee providers with low price?

