

Level: Bachelor

Semester: Fall

Year: 2021

Programme: BBA/BBA-BI

Full Marks: 100

Course: Business Environment in Nepal

Pass Marks: 45

Time: 3 hrs.

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

Section "A"

**Very Short Answer Questions**

Attempt all the questions. [10×2]

1. Why Business environment is called dynamic?
2. Define economic system.
3. What is constitutional body? List any four constitutional body.
4. Show the relationship between fiscal and monetary policy.
5. What is the environment analysis?
6. Write feature of Nepalese agriculture.
7. What do you know about the Industrial State and Special Economic Zone (SEZ).
8. Define Cultural Globalization.
9. What do you mean by technology transfer?
10. What is BIMSTEC? List down its any 2 objectives.

Section "B"

**Descriptive Answer Questions**

Attempt **any six** questions. [6×10]

11. "It is believed that a stable and dynamics political environment is indispensable for business growth.' Discuss critically the statement in present business environment scenario in Nepal.
12. "Privatization is essential part to develop the national economy like Nepal.' Do you agree with this statement? Why or Why not? Justify your answer.
13. How the component of general and operating environment affect the business, explain.
14. Explain the contributions of Nepalese tourism industry to national economy. What are the major problems of tourism industry? What measures are taken by the government to overcome such problems?
15. Is technology essential in business, why? Write how human factor and technology are related to each other.
16. Explain the features of Trade Union Act-1992 and Labour Act-2016.
17. Despite of abundant natural resource and potentiality our country is not able to attract FDI. Delineate the reasons of poor FDI inflow in Nepal.

Section "C"  
Case Analysis

18. *Read the case situation given below and answer the questions that follow: [20]*

**PROBLEMS AT CHINA AIR LINES**

Taiwan, officially known as the Republic of China (ROC), is an island separated from China by the Taiwan Strait. It has been governed independently of mainland China, officially the People's Republic of China (PRC), since 1949. The PRC views the island as a renegade province and vows to eventually "unify" Taiwan with the mainland. In Taiwan, which has its own democratically elected government and is home to twenty-three million people, political leaders have differing views on the island's status and relations with the mainland. Beijing asserts that there is only "one China" and that Taiwan is part of it. It views the PRC as the only legitimate government of China, an approach it calls the One-China principle, and seeks Taiwan's eventual "unification" with the mainland.

Beijing claims that Taiwan is bound by an understanding known as the 1992 Consensus, which was reached between representatives of the Chinese Communist Party (CCP) and the Kuomintang (KMT) party that then ruled Taiwan. However, the two sides don't agree on the content of this so-called consensus, and it was never intended to address the question of Taiwan's legal status

In January 2010, Taiwan-based full service airline, China Airlines Ltd. (CAL), announced that it had recorded sales of US\$ 358.49 million for the month of December 2009. This was attributed to the increasing cargo sales that offset the losses incurred by the airline in the previous three quarters of financial year (FY) 2009. Founded in 1959, CAL was the flagship carrier of the Republic of China (ROC). However, it was not completely state-owned. The China Aviation Development Foundation (CADF) had a nearly 54 % stake in CAL. The airline faced turbulence in its initial years of operations. Its poor safety record in the 1990s severely tarnished its brand image besides lowering passenger traffic. Analysts felt that faulty pilot recruitment policies, lax maintenance systems, high cost operational structure, inefficient corporate culture, etc. had only added to its troubles. Moreover, the strained political relations between mainland China and Taiwan, which prohibited the airline from launching flights to routes in China, made things worse for it. The airline's mounting problems prompted it to look for ways to restore its image. Its initial efforts were focused on improving its brand image and regaining consumer confidence. CAL adopted various steps over the years to revive its image after several

fatal air disasters happened due to pilot errors and poor maintenance procedures.

The company diligently pursued a policy of retraining pilots and redesigning its safety procedures. From 1949, when the PRC government came to power, till 1979, relations between mainland China and Taiwan had remained practically frozen. Initiatives to relax the tension began from as early as 1979, but restrictive and non-cooperative political relations had mostly dampened the efforts to improve trade and transport between Taiwan and mainland China.

**Questions:**

- a) Understand how politics could affect the business prospects of an organization.
- b) Analyze the initiatives adopted by China Airlines to restore consumer confidence and bring the company back into profits.
- c) Analyze how China Airlines could benefit from the improvements in cross-strait relations between Taiwan and mainland China.
- d) Explore other ways in which China Airlines can bring the company back into profits.