

Kathmandu University School of Management
Bachelor of Business Administration
Course Syllabus

Course Title	Nepali Financial System
Course Code Number	MFIN 441
Credit hours	Three (3)
Course objective:	The objective of the course is to build the conceptual and analytical skills of the students in understanding the context and issues of the Nepalese Financial System
Enabling Objectives:	<p>After the completion of all the learning units and the requirements of the course, participants will be able to:</p> <ol style="list-style-type: none"> 1. Explain evolution and structure of Nepalese financial System 2. Classify the Nepalese financial market into various markets like; money market, capital market, banks and nonbanks financial institutions. 3. Explain various institutions, infrastructure and instruments of financial market 4. Explain the legal and regulatory environment of Nepalese Financial Sector 5. Compare some international best practices with current status of Nepalese Financial System 6. Explain a complete picture of Nepalese Financial System at a glance
Learning Units	
Learning Unit One Net Contact Hours – 3 hours	1. Introduction Introduction to financial system; Organization/structure of financial system; functions of financial system, Importance of financial system in an economy Nepalese financial System: An Overview, Evolution and Current Structure, Current Issues and Challenges
Learning Unit Two Net Contact Hours- 7 hours	2. Financial Market Introduction, Classification and Functions of financial market; Money Market & Capital Market; Primary and Secondary Market Nepalese financial market; General Overview, Instruments and institutions, Role and importance, yield on money market instruments Securities: Shares, Debentures/Bonds; Types and Classification of Capital Market: Primary Market- Issuing New Securities [Initial Public Offerings (IPO), Private Placement; and Further Public Offerings (FPO)], Secondary Markets - Functions of Secondary Market; Brokers and Dealers of Securities; NEPSE and its trading Mechanism; Evolution and function of SEBON.
Learning Unit Three Net Contact Hours- 5 hours	3. Banking in Nepal Meaning and Definitions of Banks, Role and Importance, Types of banks, Various Deposit and Loan Products, Financial Statements Analysis of Banks and other sectors; Use of financial statement analysis in a bank; A brief overview on: Credit Management, Liquidity Management, Assets and Liability Management (ALM), Off balance items; Mergers and Acquisition; Main features of Banks and Financial Institutions Act (BAFIA).
Learning Unit Four Net Contact Hours- 4 hours	4. Insurance Companies in Nepal Concept, Meaning and Definitions; Types of Insurances; Types of Insurance Products; Fundamentals of the insurance industry; Structure of insurance

	companies; Risk & Return; Current status of Nepalese Insurance Market; Various insurance products in Nepal, Role, Importance and Functions of Beema Samitee.
Learning Unit Five Net Contact Hours- 6 hours	5. Cooperatives and micro finance in Nepal Concept, Basic Principles, Types of Cooperatives, Role and Importance, Department of cooperatives; Introduction, Evolutions, Structure and Functions, Issues and Challenges of department; concept, evolution, model and current status of micro finance in Nepal
Learning Unit Six Net Contact Hours- 5 hours	6. Investment Companies and Pension funds Concepts and types of Investment Companies; Concept of pension funds; Types of pension plans: benefit plan, contribution plan and hybrid pensions funds; Meaning, Definition and Importance of Mutual funds; Cost of Mutual Fund; Holding period returns of mutual funds, Structure of funds; The concept of family of funds, A brief overview of Mutual Funds in Nepal
Learning Unit Seven Net Contact Hours- 10 hours	7. Nonbank Financial Institutions in Nepal Employee Provident Fund (EPF) Introduction, Structure and Functions, Role and Importance, Current Status, Resource Mobilization Citizen Investment Trust (CIT) Introduction, Structure and Functions, Role and Importance, Current Status, Resource Mobilization Social Security Fund (SSF) Introduction, Structure and Functions, Role and Importance, Current Status, Resource Mobilization Deposit and Credit Guarantee Corporation (DCGC) Introduction, Structure and Functions, Role and Importance, Current Status, Resource Mobilization Credit Information Center (CIC) Introduction, Structure and Functions, Role and Importance, Current Status, Resource Mobilization A brief overview of Credit Rating Agency in Nepal.
Learning Unit Eight Net Contact Hours- 3 hours	8. Payment System in Nepal Concept; E-Payment & Settlement; Electronic Clearing and Settlement System; Real Time Gross Settlement (RTGS) Nepal Clearing House Limited (NCHL) : Introduction, Functions, Role and Importance, Evolutions, Clearing Process NRB, Payment System Department: Introduction, Establishment, Regulatory Provisions, Participants of payment system
Learning Unit Nine Net Contact Hours-4 hours	9. Government Securities and Public Debt Management Government Securities: Types of Government Securities; Primary Market, Auction and Bids; Secondary Markets; Market Makers, Brokers and dealers in Nepalese Government Securities Market Nepalese Public Debt Management; Instruments of Debt Management; Open Market Operation (OMO).

Total Contact Hours	48 hrs
Basic Text	Madura Jeff (2014). Financial Institutions and Markets. Delhi: Cengage Learning India Private Limited
References Books	<p>Klob Rober and Rodriguez, Ricardo J (1996). Financial Institutions and Market. Cambridge: Blackwell Publishers Inc.</p> <p>Paudel, R.B; Baral, K.J; Gautam, R.R., and Rana, S. B. (2019). Financial Markets and Institutions. Asmita Books Publishers & Distributors.</p> <p>Rawal, D. and Sapkota, C.K. (2016). Commercial Bank Management. Kathmandu: Samjhana Publication</p> <p>Rejda, G.E. Principles of risk management and Insurance. New Delhi : Pearson Education</p> <p>Economic Survey, Nepal Government, Ministry of Finance (www.mof.gov.np)</p> <p>Monetary Policy, Nepal Rastra Bank (www.nrb.org.np)</p> <p>Unified Directives, Nepal Rastra Bank (www.nrb.org.np)</p> <p>Websites:</p> <p>www.bsib.org.np</p> <p>www.cibnepal.org.np</p> <p>www.dcg.org.np</p> <p>www.deoc.gov.np</p> <p>www.epfnepal.com.np</p> <p>www.icranepal.com</p> <p>www.lawcommission.gov.np</p> <p>www.nchl.com.np</p> <p>www.nlk.org.np</p> <p>www.sebon.gov.np</p> <p>www.ssf.gov.np</p> <p>www.icranepal.com</p>
References for Nepalese trade and investment context	
Evaluation Scheme	Quizzes, class test, Assignments, Attendance, Mid-term exam, Pre-board exam, Presentation

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