लोक सेवा आयोग

राष्ट्रिय बीमा कम्पनी लिमिटेड, प्रशासन, छैटौं, सहायक व्यवस्थापक पदको खुला प्रतियोगितात्मक लिखित परीक्षा

२०८०।०३।१२

पूर्णाङ्क १००

पत्र द्वितीय

समय ३ घण्टा

विषय अर्थशास्त्र, वित्त र व्यवस्थापन

प्रत्येक Section को उत्तर छुट्टाछुट्टै उत्तरपुस्तिकामा लेख्नुपर्नेछ, अन्यथा उत्तरपुस्तिका रद्द हुनेछ ।

Section "A"

50 Marks

1. Write short note on WTO. 5
2. How does fiscal policy help in promoting capital formation? Explain. 5
3. Distinguish between Bank Rate and Repo Rate. 5
4. Explain the economic liberalization and social change in Nepal. 10
5. Explain the concept of GDP, GNP, NNP and National Income (at factor cost) with suitable examples. 10
6. In line with economic liberalization policy, government implemented privatization of public enterprises programme through which almost thirty public enterprises were privatized and some of them were liquidated following privatization act.

   The main objective of privatization was to enhance the productivity of ailing public enterprises, assuming private sector is in better position to run the business. But the achievement so far is not to the extent of satisfaction, voices are raised even against the policy of privatization.

   With regard to this, identify the problems therein and suggest doable measures to make privatization a success. 15

Section "B"

50 Marks

7. What are the factors affecting the Product Life Cycle? Mention with examples. 5
8. What do you mean by "Selection" in Human Resource Management (HRM)? Discuss major selection processes. 2+3=5
9. Explain the different types of e-commerce based on their characteristics. 5
10. Analyze the motivation, leadership and communication work in an organization. 10
11. What do you mean by Research and Development (R&D) in the management of an organization? What is the importance of R&D in public companies, like National Insurance Company Limited? 5+5=10
12. Good governance in name itself seems very sound and interesting. It has gained a lot of imperatives around the world. Every political masters and administrative officials talk about it. However, in practice, impact of the notion of good governance seems desperate mostly in developing countries. Nepal is no exception on it. In this context, find out the main problem of good governance in Nepal. Analyze the causes of the problem. Outline the practical strategies to improve the good governance in Nepal. 15

- The End -

Section "B" 20 Marks

3. Nepal's service industry, especially banking and insurance service, has recorded significant progress in the last few decades. Insurance sector has grown in various dimensions. While life insurance-sub-sector has grown beyond public sector, non-life insurance sub-sector has substantially expanded to serve the need of both national and international businesses. The establishment of a few re-insurance companies has been one added feature of Nepal's insurance service industry in recent years. The multidimensional growth of insurance service sector also tends to have prompted the national regulatory body to adopt various mechanisms to regulate insurance business in Nepal, besides issuing policy directives for merger of insurance companies. Consequently, the number of insurance companies has come down to 36 in March 2023 from 41 in March 2022.

   In view of the general grievances increasingly expressed by insurance policy holders, especially at individual level is the problem in claim settlement. The problem is more serious for non-life insurance policy holders than life insurance. The lack of standards and awkward behavior of insurance employees are fueling the problems further. This may have or not have been exaggerated, but this somehow tells a symptom of the problem clients are suffering from.

   Imagine that you as an insurance expert are asked to propose a research study for evidence based understanding of the situation and adoption of policy measures to resolve them. Present your research proposal in a tentative structure as follows:

   4+8+4+4=20

   a) Symptom of the problem, like statement of problem.
   b) Basic research design, including types of data/information required, sources of data/information, instruments/tools for gathering data/information, etc.
   c) Data analysis tools/methods.
   d) Chapter plan of the report.

Section "C" 20 Marks

4. Good governance is said to be the lifeline for the success of any organization. We often come across the news on breaches of good governance principles in Nepali insurance and financial sector. In this context, analyzing the existing rules, regulations and laws regarding corporate good governance system for insurance companies, explore whether legal framework for maintaining good governance in Nepali insurance sector is adequate. If not, what are your suggestions to improve them?

   10+10=20

Section "D" 20 Marks

5. You are planning to invest in some insurance companies listed in stock market. You have analyzed the financial statements of four companies and got the following information.

Ratios	Company A	Company B	Company C	Company D
Current ratio	3.92	1.3	3.28	1.84
Long-term debt to equity ratio	0.03	0.13	0.26	0.34
Total debt to equity ratio	0.28	0.15	0.30	0.73
Quick ratio	3.05	3.20	2.80	1.40
Time interest earned ratio	4.9	3.75	5.2	3.25
Return on asset	10.12	9.52	11.32	7.5
Return on equity	14.85	12.30	15.15	9.11

By carefully analyzing financial ratios of these companies, provide your critical judgment on the investment potentialities of these four insurance companies. 5x4=20

a) Do you see any underlying problems in these four companies?

b) How is their financial health?

c) How do you interpret the profitability measures and long-term solvency measures of these companies?

d) How can the financial health of these companies be improved?

e) What do you suggest the investors who are willing to buy the share of these companies?

- The End -