

# College of Applied Business (CAB)

Sent-up Examination, February 2015

**BBA / Third Semester / ENG 203: Business Communication**

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

## Section A

**Time 20 minutes**

1. Write down words or expressions, which mean the following: (ANY FIVE) [5]
  - a. Supporters, people who argue in favor of something.
  - b. Someone concerned about pollution, maintaining an ecological balance and so on.
  - c. Having control of something as part of your job.
  - d. To introduce a new product onto the market.
  - e. A wholesaler in stocks and shares who deals with brokers.
  - f. Imposing trade barriers in order to restrict imports.
  
2. Define the following technical terms: (ANY FIVE) [5]
  - a. Mergers
  - b. Venture capital
  - c. Abolish
  - d. Confrontation
  - e. Cartel
  - f. Blue chip

## Section B

**Time 30 minutes**

Read the following newspaper article and answer the questions given below: [10]

3. The World Bank (WB) will soon provide a cover of up to \$100 million to 216 megawatt Upper Trishuli – 1 hydroelectric project, in a bid to insulate the project developer from the risk that may emanate from the government's failure to fulfil various contractual obligations.

The coverage – which works like a sovereign guarantee – will be provided once WB receives a formal request from government. The Ministry of Finance is already preparing to send the request, as it has finalized the decision to extend the coverage to the hydroelectric project being built by Korean investors.

The WB will use a product called Partial Risk Guarantee to provide coverage for losses of up to \$100 million. This the first time WB is using the product in Nepal - although it is widely used internationally. The product would also be used in other hydro and infrastructure projects being built in the country based on need. On the benefits of using this product is that it will expedite the process of mobilizing loans required to build the project. The product is also expected to help project developers acquire credit at a cheaper price.

Since the product works as a sovereign guarantee, it will provide assurance to banks that their loans will not turn sour even if the government fails to abide by contractual obligations. This confidence, in turn, will help trigger competition among banks to

finance such projects which will help project developers to bargain on lending rates. Investors have long been demanding for introduction of such a product that can provide cover against offtaker risk, political risk and project termination risk. Offtaker risk, for instance, has been a major concern for investors who want to build hydro projects in Nepal.

But many fear the power utility company may one day fail to pay for the energy that it is purchasing because of its weak financial condition. That's why many international financial institutions express reluctance to extend loans to Nepal-based hydro projects that are intending to generate electricity for the purpose of domestic consumption.

Questions:

- a) What is the World Bank to do to Trishuli hydroelectric project?
- b) How does the coverage work like a sovereign guarantee?
- c) What is Partial Risk Guarantee?
- d) Why will sovereign guarantee trigger competition among banks ?
- e) What is the fear of many other companies?

## **Section C**

**Time 80 minutes**

4. Attempt ANY FIVE of the following: [5×3=15]
  - a. What is management? What are the four qualities of a good manager?
  - b. How do you define quality in relation to a restaurant meal and a hi-fi equipment?
  - c. What are labor unions or trade unions? What do they do when dissatisfied?
  - d. Briefly discuss on the theories of work and motivation.
  - e. Explain what are bond and shares.
  - f. Elaborate what are futures and derivatives.
  
5. What are the types of oral presentation? Explain in detail. [5]