लोक सेवा आयोग

राष्ट्रिय वाणिज्य बैंक लिमिटेड, प्रशासन, प्रशासन, नवौं,
वरिष्ठ प्रबन्धक पदको खुला प्रतियोगितात्मक लिखित परीक्षा

२०८३/०७/१२

पत्र: प्रथम | समय: ३ घण्टा | पूर्णाङ्क: १००

विषय: Economics and Banking

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

Section: "A" (50 Marks)

1. On the one hand, because of the Middle-East stress, supply-side is disturbed especially gas and fuel price has facing pressure. On the other hand, because of government level salary escalations, there might be a pressure on price. Thirdly, economy is mostly import based. In this context, what are the major challenges in the domestic economy? What are their implications? And, how can the supply side (supply-chain) be improved and solve the economic problems? Discuss critically. (3+3+4=10)
2. Analytically differentiate between the money market and capital market. And, analyze how these two markets are linked with the foreign exchange market and derivatives market. (4+6=10)
3. What were the circumstances that established the World Bank and International Monetary Fund? Discuss how their roles changed over time. Critically analyze their contribution/influences in formulating Nepal's macroeconomic policies. (3+3+4=10)
4. A medium-sized commercial bank in Nepal has experienced rapid growth in deposits, credit and digital transactions, but its loan portfolio has become increasingly concentrated in real estate, consumer lending and a few large borrowers. Consequently, the bank is facing rising non-performing loans, weaknesses in credit appraisal and loan recovery and inadequate use of credit information. At the same time, the rapid expansion of digital banking and payment services has created opportunities for financial inclusion but has also increased operational, cybersecurity and consumer protection risks, particularly among financially less literate customers. The bank seeks further credit expansion and digitalization to improve profitability and financial inclusion. Nepal Rastra Bank is concerned about asset quality, credit concentration and overall financial stability. Based on the case, answer

the following: ((5+5+5)+5=20)

a) Analyze the opportunities and risks associated with the rapid expansion of digital banking and payment systems. What measures should banks and related institutions adopt to ensure reliable financial services? Discuss.

b) Discuss how Nepal Rastra Bank and other relevant financial institutions can coordinate their roles to address the problems identified in the case while promoting financial inclusion and financial stability.

Section: "B" (50 Marks)

5. While mobile banking is widely seen as a tool for financial inclusion, studies have shown a significant urban-rural gap in its adoption. What are the key barriers to adoption of mobile banking in rural areas and how can strategies be tailored to overcome these challenges especially in contexts like Nepal? Analyze. (5+5=10)
6. While talking about risk management in banks and financial institutions (BFIs), we are often highly focused on cybersecurity, which is quite obvious too. What other major risk areas demand equal attention and how can BFIs best manage them? Present an analytical answer. (5+5=10)
7. Rastriya Banijya Bank Limited as a fully-owned government bank has its own challenges due to the bureaucratic practices in management. In this context, what are the concerns as a senior manager you should focus in this competitive business environment? What should be the way forward to improve the service quality and be a leader of the financial services provider? Discuss. (4+6=10)
8. Nepal's banking sector currently faces a paradoxical situation: an unprecedented surplus of liquidity coexists with sluggish economic growth and weak credit demand. This excess liquidity or surplus, which has persisted for three consecutive fiscal years, represents one of the most significant challenges confronting Nepal's financial system and its broader economy. The central bank - Nepal Rastra Bank (NRB) has identified liquidity management as its foremost challenge, yet conventional policy tools have proven inadequate in addressing this structural imbalance.

In the meantime, the persistent liquidity surplus has already created several damaging macroeconomic distortions. First, excessive supply of lendable funds relative to demand has driven interest rates toward the bottom of the

NRB's interest rate corridor, penalizing depositors with negative real interest rates. While lower borrowing costs should theoretically stimulate investment, the lack of confidence and demand means that even historically low rates fail to spur credit expansion - a classic liquidity trap scenario. Second, banking sector's profitability has been squeezed as net interest margins contract. Banks are earning lower returns on their loan portfolios while still incurring costs on deposits, reducing their capacity to generate earnings and build capital buffers. This situation has broader implications for financial stability, as weaker profitability may undermine banks' resilience to future shocks. Third, the liquidity glut risks fuelling speculative bubbles and capital flight. When funds cannot find productive investment opportunities, they may be channeled into real estate, stock markets or consumption rather than productive economic activities. Fourth, the Statutory Liquidity Ratio (SLR) mandate has functioned as a form of fiscal repression, creating a captive buyer pool for government securities. Finally, the excess liquidity represents a massive opportunity cost. Funds that could finance domestic infrastructure accelerate energy transitions and power private sector growth remains idle. In summary, Nepal's banking sector is simultaneously drowning in liquidity and starving for productive credit - a paradox that reflects deep structural weaknesses in the economy. And, the consequences are equally evident: compressed bank margins, negative real returns for depositors, potential speculative bubbles and a massive opportunity cost from idle funds that could otherwise drive development.

In the contexts explained and summarized above, identify the reasons for continued and persistent excess liquidity and recommend reform as well as policy measures to be implemented to address this challenges or issues (transform Nepal's liquidity paradox from a crisis of idle capital into an engine of sustainable economic development). Also, prepare a time-bound implementation action plan to be implemented by the Government, Nepal Rastra Bank and by the commercial and development banks of Nepal. (6+6+8=20)

- The End -

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लिखित परीक्षा

२०८३/०७/१०

पत्र: प्रथम | समय: ३ घण्टा | पूर्णाङ्क: १००

विषय: Economics and Banking

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

Section: "A" (50 Marks)

1. Nepal's economy is experiencing macroeconomic stability alongside low economic growth, weak domestic production, high import dependence, limited employment opportunities and increasing youth outmigration. In this context, critically analyze the prospects for Nepal's economic transformation. Suggest appropriate policy measures, particularly from the perspective of Nepal Rastra Bank. (5+5=10)
2. Discuss the factors influencing exchange rate determination in the foreign exchange market. Also, analyze the factors that have led Nepal to maintain the pegged exchange rate regime. (4+6=10)
3. Critically analyze the major challenges of Rastriya Banijya Bank Limited at present. Also, evaluate the major contribution of Rastriya Banijya Bank Limited to Nepali economy. (5+5=10)
4. At present, commercial banking system in Nepal is experiencing declining credit growth despite having adequate liquidity. They are facing rising non-performing assets (NPAs), pressure on net interest margins, weak profitability and growing digital-operational risks. Productive sector credit is even in more poor condition. During such situation, overall economy is also in problem because of global political tensions, supply-chain inefficiency, lowering the level of domestic demand thereby impact on production sector and further hit by natural calamities. In this context: (6+7+7=20)
   a) Identify and analyze the major structural and emerging problems currently affecting banking sector including Rastriya Banijya Bank Limited with examples.
   b) Develop a suitable set of key indicators/KPIs to assess the health and performance of the banking sector of Nepal.
   c) Justify what happens if such KPIs are not achieved in the banking sector and in your own bank as well.

Section: "B" (50 Marks)

5. With an increasing application of Artificial Intelligence (AI) in day-to-day banking business, the associated risks has also increased manifold. Explore the pros and cons of AI technology in the banking industry. Also, suggest the long-term prospect on its applicability. (6+4=10)
6. Non-performing loan has been increasing significantly in Nepal's banking industry. Analyze the current situation of such loans in Nepal's banks and financial institutions. Present your recommendations to lower the non-performing loan in commercial banks of Nepal with justification. (5+5=10)

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२०८३/०७/११

पत्र: द्वितीय | समय: ३ घण्टा | पूर्णाङ्क: १००

विषय: Governance and Organizational Management

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

Section: "A" (50 Marks)

1. Explain the internal audit system of Rastriya Banijya Bank. How does internal audit contribute to effective risk management, internal control and prevention of financial irregularities in the bank? Analyze. (4+6=10)
2. Discuss the major deficiencies which contributed to place Nepal in the Grey List of FATF and suggest necessary actions that your banks as reporting entity, can contribute to lift Nepal out of that list. (5+5=10)
3. Discuss how a Letter of Credit (LC) contributes to the security and efficiency of international trade. Critically examine the major legal and regulatory requirements that Rastriya Banijya Bank Limited must comply with while opening and settling an LC transaction, with reference to prevailing laws, Nepal Rastra Bank Directives and applicable international trade and banking practices. (3+7=10)
4. Rastriya Banijya Bank Limited (RBB), being a government-owned commercial bank with a wide network throughout Nepal, is expected to contribute to social and economic development in addition to its commercial objectives. However, Corporate Social Responsibility

(CSR) activities should be undertaken in a transparent, need-based and legally compliant manner and should produce measurable benefits to society. The bank also needs to maintain proper governance, documentation, monitoring and disclosure of its CSR activities to ensure accountability in the use of its resources.

In this context, examine the major legal and policy provisions relating to CSR activities of RBB. Discuss how the bank should identify, implement, monitor and disclose its CSR activities to ensure transparency, accountability and meaningful social impact. (8+12=20)

Section: "B" (50 Marks)

5. Discuss the key components and their rationale of Rastriya Banijya Bank Limited's Asset Liability Management and Treasury Operational Manual. Analyze the policy and practice of proactively managing bank's liquidity, treasury operations and interbank transactions as per the manual. (5+5=10)
6. Analyze the key components of a Business Intelligence (BI) system in a banking context and how it differs from transitional MIS reporting. Design a framework showing how the bank's BI system could be used to generate early warning indicators for loan default (predictive analytics) and identify cross-selling opportunities for deposit and loan products. (4+6=10)
7. Discuss how Rastriya Banijya Bank Limited can foster a culture of continuous innovation while strictly mitigating cybersecurity and compliance risks mandated by Nepal Rastra Bank Directives. Propose an operational framework balancing innovation with regulatory risk controls. (6+4=10)
8. Rastriya Banijya Bank Limited (RBB) prepares its financial statements under NFRS but is also bound by Nepal Rastra Bank's Unified Directives, which prescribe loan classification-based provisioning and cash-basis recognition of interest on non-performing loans. This often diverges from NFRS 9's Expected Credit Loss model and accrual-based interest recognition, requiring adjustments through a Regulatory Reserve rather than directly through profit or loss. As Senior Manager reviewing RBB's draft Notes to Accounts before Board approval, answer the following: (6+6+8=20)

   a) Explain why such divergence arises between NFRS and NRB Directives and why it is addressed through a Regulatory Reserve rather

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than restating profit.

b) Discuss how this divergence affects distributable profit, staff bonus computation and dividend declaration.

c) Identify the key disclosure and governance risks such divergence poses for a public-sector bank like RBB and recommend measures to strengthen the Notes to Accounts and Accounting Policy disclosures.

- The End -

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२०८३/०७/१४

पत्र: प्रथम | समय: ३ घण्टा | पूर्णाङ्क: १००

विषय: Economics and Banking

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Section: "A" (50 Marks)

1. Discuss the main objectives and instruments of monetary and fiscal policy. Also, analyze why effective coordination between these two policies is necessary for maintaining price and overall macroeconomic stability. (3+3+4=10)
2. Evaluate and analyze the major economic indicators, current macroeconomic and financial situation of the country. On the basis of evaluation and fact, highlight the challenges and opportunities of the economy. Also, provide solution to overcome the challenges faced by the economy. (3+4+3=10)
3. Evaluate the distinct roles of banking and non-banking financial institutions in Nepal's financial sector. Critically analyze the extent to which these two segments act as complements or substitute in the domestic credit market and assess the implications of this relationship for financial stability and the broader goal of financial inclusion in Nepal. (4+6=10)
4. Rapid Damage and Need Assessment Report prepared by a joint technical team involving the National Planning Commission and the National Disaster Risk Reduction and Management Authority estimates that devastating flashflood in the Bhotekoshi River in Rasuwa on

August 26, 2026 cost more than Rs. 408.26 billion and it will cost around Rs. 723.31 billion for reconstruction.

This flashflood damaged 13 hydroelectricity project of 759MW. It is estimated that it will cost around Rs. 390.62 billion to reconstruct this damage in hydroelectricity sector. Those hydropower projects were financed by Nepali bank and financial institution. According to Nepal Bankers' Association, in preliminary estimation, the banking sector faces risk amounting up to Rs. 10 billion from disaster. This highlights that traditional project appraisal techniques may not be sufficient to identify all risks associated with project financing.

So, in light of this situation critically assess whether conventional project appraisal techniques are adequate. And, suggest appropriate risk assessment techniques that banks and financial institutions should adopt, alongside conventional appraisal before disbursing project loans. (10+10=20)

Section: "B" (50 Marks)

5. Discuss the various cross border payment methods used by Nepali commercial banks. Also, evaluate the role of Nepal Rastra Bank in cross border payment mechanism. (5+5=10)
6. What are the major cybersecurity risks associated with a Central Bank Digital Currency System (CBDC)? And, what measures would you recommend to customers and financial institutions to be safe from cyberattacks, fraud and system disruption? Present. (5+5=10)
7. Evaluate the state of Rastriya Banijya Bank in adoption of digital service delivery. Also, discuss the challenges brought by this new mode of service delivery. (5+5=10)
8. Assume a hypothetical scenario in which, after several years of flush liquidity and declining interest rates, Nepal's banking industry faces a sudden tightening of liquidity and a reversal in the interest rate trend. Government spending, credit demand, imports and overall economic activity rise sharply. Competition for deposits intensifies and deposit rates begin to climb. At the same time, banks see their CASA base shrink as customers move funds from low-cost saving accounts into higher-yielding term deposits.

Within twelve months, the aggregate Credit-to-Deposit (CD) ratio of commercial banks rises above 87%, signaling severe liquidity pressure across the system. Rastriya Banijya Bank Limited (RBB) is not immune, its funding costs are escalating and its liquidity buffers are under strain.

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You as a member of RBB's Senior Management Team have been assigned a task with formulating the bank's strategic response to this changing operating environment. In this context: (7+7+6=20)

a) What immediate strategic measures would you recommend to protect RBB's liquidity position while continuing to support quality credit growth? Explain how you would balance liquidity, business growth, cost of funds, profitability and credit quality.

b) What adjustments would you recommend to RBB's ALM strategy to navigate this sudden shift in liquidity and interest rate conditions? Discuss the key areas the Asset-Liability Committee (ALCO) should prioritize to ensure operational resilience.

c) What major policy reforms would you recommend within RBB to strengthen the bank's preparedness and resilience against recurring liquidity fluctuations and interest rate volatility? State.

- The End -

लोक सेवा आयोग

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२०८३/०७/१६

पत्र: प्रथम | समय: ३ घण्टा | पूर्णाङ्क: १००

विषय: Economics and Banking

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Section: "A" (50 Marks)

1. Discuss the current macro-financial situation of Nepal. Suggest the major policy reforms to be introduced to drive the economic growth from the current level. (5+5=10)
2. Critically assess the possible conflicts and complementarities between fiscal and monetary policy of Nepal in maintaining macroeconomic stability and supporting economic growth. (5+5=10)
3. What major changes have occurred in the structure, functions, ownership, technology and business models of Nepal's commercial banks? How have these changes affected their role in widening financial access and maintaining financial discipline? Discuss. (4+6=10)

4. Despite substantial expansion of banking services, many low-income households, small enterprises and people in geographically remote areas continue to have limited access to an affordable formal finance. Meanwhile, banks and financial institutions are increasingly competing for deposits and borrowers, while concerns about over indebtedness, weak financial literacy, loan quality and inappropriate borrowing are emerging.

As a policy adviser, critically analyze the above situation and answer the followings: (5+7+8=20)

a) Identify the key structural and institutional problems behind limited financial inclusion in Nepal.

b) Propose an integrated strategy for expanding financial access without compromising financial stability.

c) Discuss the respective roles of Nepal Rastra Bank, commercial banks, non-bank financial institutions and other relevant institutions in solving the problems.

Section: "B" (50 Marks)

5. Analyze the policy objectives of driving the development of a Central Bank Digital Currency (CBDC) in Nepal. Discuss the technical and legal frameworks necessary for a retail CBDC rollout. (5+5=10)

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२०८३/०७/१९

पत्र: द्वितीय | समय: ३ घण्टा | पूर्णाङ्क: १००

विषय: Governance and Organizational Management

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Section: "A" (50 Marks)

1. Highlighting the fundamental pillars of fiscal federalism, explain the constitutional provisions adopted by Nepal regarding intergovernmental fiscal relations. Furthermore, assess the current state of its practice and provide a critical commentary. (3+3+4=10)
2. Analyzing the effectiveness of Banking Offence and Punishment Act, 2064, suggest the major reforms in this Act to check fraudulent

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activities in banking sector and safeguarding of the public deposit. (4+6=10)

3. Briefly highlight the liabilities of the parties of Letter of Credit (LC) and the bank. Also, analyze the problems often seen in fulfilling those responsibilities along with their solutions. (4+6=10)
4. Money laundering is considered not only a national but a transnational crime. It seriously weakens formal economy and also negatively affects government revenue base. Organized criminal groups engage in such activities where law enforcement agencies (LEAs) are weak and authorities are corrupt. Advancements in digital technologies is also helping criminals. As significant amount of laundering is done by using banking system, banks and financial institutions need to be extra vigilant. In case of Nepal, Nepal Rastra Bank has issued several guidelines to help BFIs implement proper oversight over movement of money. In spite of this, international community has been pointing fingers at Nepal's BFIs for AML weaknesses. In light of these circumstances, answer the following questions analytically: (8+7+5=20)

   a) What are the fundamental legal and institutional problems in preventing money laundering in general and from banking perspectives in particular?

   b) Are central banks, directives/guidelines unnecessarily loaded, sufficient or insufficient to check money laundering?

   c) How can a Bank Manager help in preventing money laundering activity?

Section: "B" (50 Marks)

5. Explain the provisions related to the management of Non-Performing Assets (NPA) at Rastriya Banijya Bank Limited (RBB). Critically examine the situation and the trend of NPA of RBB over the past decade. (4+6=10)
6. Assess the strengths and weaknesses of current performance evaluation system of Rastriya Banijya Bank Limited and suggest appropriate measures to transform it into a result-driven system. (5+5=10)
7. Describe the key steps in the grievance handling process. Critically examine the grievance handling system prevalent in Rastriya Banijya Bank Limited making comparison with the system followed by other better banks in Nepal. (4+6=10)

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8. The following was observed during a surprise visit of a branch by Rastriya Banijya Bank Limited Headquarter Supervision Team.

The main hall with tellers was dark. There was no token system. There was a clock on the wall, but the time was incorrect. There was a toilet, but no running water. Some of the employees were busy with their work, while others were chatting on their mobile phones and with their colleagues. Some customers were arguing with the employees. One customer was asking how to protect himself from online hackers. A customer had sold his farm and put the money in a fixed deposit account for his old age, but he was complaining that it was difficult for him to manage his daily life because the interest rate had decreased.

There were old, scrapped motorcycles in the backyard of the bank building. When an employee told a customer, who had come to exchange Indian currency, to go to Nepal Rastra Bank, the customer became angry and asked what the bank has been doing. An elderly pensioner was requesting that the bank should deliver cash to his home because he was very old. A cooperative-victim customer was advising others that a government-owned banks account is better than other. One customer was complaining why he had to fill out KYC forms every year where there was no change in his status. Another customer argued that stronger legal provisions should be introduced to prevent individuals who hold shares in banks and financial institutions, either personally or through their immediate family members, from being appointed in policy making positions related to banking and finance. As the leader of the Supervision Team, you are required to: (6+6+8=20)

a) Identify and explain the major problems related to the quality of front-office services of the branch.

b) Identify the underlying causes of the problems identified.

c) Propose concrete, practical and implementable measures to address the identified problems and improve service quality.

- The End -

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२०८३/०७/१६

पत्र: प्रथम | समय: ३ घण्टा | पूर्णाङ्क: १००

विषय: Economics and Banking

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Section: "A" (50 Marks)

1. Clarify the objectives of financial inclusion and briefly highlight the key financial inclusion indicators used to measure the level of financial inclusion. (2+3=5)
2. Does financial sector's lending contribute to higher growth in Nepal? Discuss. (5)
3. A hydropower company approaches a commercial bank for long term financing for 440MW hydropower project in Nepal. The promoters of company propose Debt to Equity financing ratio as 70:30. The projections are limited to highly optimistic sales growth and stable market conditions. As a credit officer of the bank, answer the following questions: (4+6=10)
   a) Identify major areas you would examine during project appraisal.
   b) What are the risk areas associated with this project? What are your recommendations to mitigate the risk before sanctioning the loan?
4. What is monetary policy transmission? What role capital and money market play in monetary policy transmission? Illustrate. (5+5=10)
5. What major transformations have taken place in Nepal's commercial banking sector since the establishment of banking regime? Discuss. (10)
6. Explain the need for the operation of private equity investment in Nepal. Also, discuss the current status and major sources of funds of private equity investment. (4+3+3=10)

Section: "B" (50 Marks)

7. Neo Banks are transforming the traditional banking model. Explain this statement with suitable example. (5)
8. Clarifying the concept of risk management in the banking business, write down the methods used in credit risk management. (2+3=5)
9. What is fintech? What are the core pillars of fintech ecosystem? Discuss with focusing on Nepali market. (3+7=10)
10. Explain the current interest rate corridor of Nepal Rastra Bank. How can it help in containing interest rate fluctuations and support the liquidity management? Analyze. (3+7=10)
11. Does Rastriya Banijya Bank Limited have a strategic advantage from its presence across diverse geographical locations? How can bank

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convert its network into competitive advantage while addressing various challenges? Discuss. (6+4=10)

12. Define institutional reputation, employee turnover and employee onboarding. Also, examine how institutional reputation influences employees onboarding, retention and turnover in case of Rastriya Banijya Bank Limited. (6+4=10)

- The End –

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२०८३/०७/१७

पत्र: द्वितीय | समय: ३ घण्टा | पूर्णाङ्क: १००

विषय: Governance and Organizational Management

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Section: "A" (50 Marks)

1. What is a negotiable instrument? Briefly highlight the key legal features of a cheque under the Negotiable Instruments Act, 2034 and the responsibilities of a bank in handling cheques. (2+3=5)
2. Discuss the conditions under which a company can issue share at a premium. (5)
3. In many banking offence cases, legal provisions exist but failures occur due to weak controls, poor supervision and lack of accountability. Which is more important in preventing banking offences: stricter laws or stronger internal controls? Justify your answer with practical measures that bank management should adopt. (10)
4. Introduce the concept of Right to Information. Explain the institutional arrangements made to ensure Right to Information in Nepal and present your recommendation to control the misuse of information. (3+7=10)
5. Shedding light on the relationship between corporate governance in the banking sector and bank operational efficiency, discuss how weaknesses in banking governance can lead to financial, legal and reputational risks. (4+6=10)
6. After the promulgation of the Constitution of Nepal, Nepal converted its centuries long unitary governance system to federal governance

system. As per the constitutional provisions, all 761 federal units can act as the government and manage their financial needs. This has increased the financial activities in the local level which has created huge opportunities for the banks. In this backdrop, identify the opportunities created by the intergovernmental financial relations for the banks. Also, discuss how Rastriya Banijya Bank Limited can grab this opportunity to strengthen its outreach and expand the businesses. (5+5=10)

Section: "B" (50 Marks)

7. Explain the use of Emotional Intelligence in an organization. How does it help to manage the human resources effectively in a bank? Describe. (2+3=5)
8. What are the major operational risks associated with Off-Balance-Sheet instruments? Discuss. (5)
9. Discuss the significance of Management Information System (MIS) in Performance Monitoring and Evaluation. How do you assess the use of MIS in communicating the information inside your organization and outside the organization with the best application of right approach and skill? Explain. (5+5=10)
10. Explain the most important areas of Risk Management in banks. Also, discuss role of Nepal Rastra Bank to minimize the risks in financial sector of Nepal. (5+5=10)
11. Explain how interest rates are determined in banking and financial markets. Discuss the impact of inflation, liquidity, market competition and monetary policy on banking interest rates in Nepal. (4+6=10)
12. How can Business Intelligence (BI) support managerial decision-making in a commercial bank? Discuss its major applications in customer management, business growth, risk management and performance monitoring. (4+6=10)

- The End -

लोक सेवा आयोग

राष्ट्रिय वाणिज्य बैंक लिमिटेड, प्रशासन, लेखा, छैटौं, सहायक प्रबन्धक (लेखा) पदको खुला प्रतियोगितात्मक लिखित परीक्षा

२०८३/०७/१२

पत्र: प्रथम | समय: ३ घण्टा | पूर्णाङ्क: १००

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विषय: Banking and Organizational Management

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

Section: "A" (50 Marks)

1. How does the fundamental role of a commercial bank differ from a non-bank financial institution (NBFI)? Describe. (5)
2. According to the Cyber Resilience Guidelines, 2023 issued by Nepal Rastra Bank, what are the core responsibilities of a bank's Board of Directors regarding cybersecurity management? Mention. (5)
3. Critically analyze the role of Nepal Rastra Bank in the economic development of Nepal. (10)
4. According to the Unified Directives of Nepal Rastra Bank to the commercial banks, what are the major criteria for classifying the credit under watchlist and non-performing loan? Discuss. (10)
5. What are the objectives, duties and responsibilities of Nepal Rastra Bank as per the Nepal Rastra Bank Act, 2058? Do you think Nepal Rastra Bank is able to fulfill the role of central banking? Provide your argument in light of objective of maintaining price stability. (6+4=10)
6. How is the taxable income of banking business computed under the Income Tax Act, 2058? How do deductible provisions and non-allowable expenses impact a bank's financial planning? Analyze. (5+5=10)

Section: "B" (50 Marks)

7. What are the sources and uses of the funds in banking system? Discuss. (5)
8. Differentiate between Job Description and Job Specification. Explain how job specialization contributes to overall organizational efficiency in a commercial bank. (3+2=5)
9. Describe the concept of Internal Control System. Also, explain the role of internal and external audits in commercial banks and discuss how robust internal control mitigates operational risks. (3+3+4=10)
10. A commercial bank is analyzing a substantial loan proposal for a new manufacturing project. Why is comprehensive project appraisal necessary before approval? Furthermore, explain how Break-Even Analysis helps the bank assess the financial viability and risk of the proposed project. (4+6=10)
11. Explain the objectives of crisis management. Also, discuss the stages of crisis management. (4+6=10)

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12. Analyze the link between employee motivation, performance evaluation and customer satisfaction. How can a public sector bank like Rastriya Banijya Bank optimize its service delivery through team-building and performance-based incentives? Discuss. (6+4=10)

- The End -

लोक सेवा आयोग

राष्ट्रिय वाणिज्य बैंक लिमिटेड, प्रशासन, लेखा, छैटौं, सहायक प्रबन्धक (लेखा) पदको खुला प्रतियोगितात्मक लिखित परीक्षा

२०८३/०७/१३

पत्र: द्वितीय | समय: ३ घण्टा | पूर्णाङ्क: १००

विषय: Financial Management, Accounting and Standards

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

Section: "A" (50 Marks)

1. Clarify the concept of cost of capital and explain why it is considered as an important benchmark in investment and financing decisions. (2+3=5)
2. Shed light on qualitative characteristics of useful financial information. (5)
3. Explain the portfolio management strategies. Also, evaluate the key techniques used in portfolio management in banking and financial institutions. (4+6=10)
4. Describe the structure and contents of statement of financial position of banks and financial institutions as per applicable financial reporting framework. Discuss further whether there are any differences in structure and contents of statement of financial position between as required by financial reporting framework and as prescribed by regulatory requirement. (6+4=10)
5. Explain key performance indicators used to assess the financial performance and soundness of commercial banks. State what each indicator measures and information it provides to the users of financial statements. (4+6=10)
6. The internal audit department of your bank has identified the following weaknesses in one of its branches:

- The same employee is responsible for approving loans, disbursing the loan amount and maintaining the related records.

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- Physical cash verification is not conducted regularly.
- Some dormant accounts were reactivated without independent authorization.
- Internal audit observations from the previous year have not been properly followed up.
- Bank reconciliations are prepared by the same employee who handles cash transactions.

In this context: (4+4+2=10)

a) Identify and explain any four internal control weaknesses evident from the above case.

b) Suggest appropriate internal control measures to address the identified weaknesses.

c) Describe the role of internal audit in assessing and strengthening the bank's internal control system.

Section: "B" (50 Marks)

7. ABC Ltd. is reviewing its Property, Plant and Equipment at year-end. During the year, it incurred expenditure on renovation of a branch building, replacement of an air-conditioning system, routine servicing of computers and installation of a new security system. Explain with reasons which of the above expenditures should be capitalized as part of Property, Plant and Equipment and mention which should be recognized as an expense as per applicable financial reporting framework. (3+2=5)
8. Your bank's Head Office receives the following information from one of its branches:

- Debit advice sent by the branch has not yet been recorded by Head Office.
- Credit advice received by the branch has not yet been recorded in the branch's books.
- An amount transferred between two branches has been recorded by the originating branch but not by the receiving branch.
- A transaction has been incorrectly posted to another branch's account.

Explain the purpose of inter-branch reconciliation and describe how the above discrepancies should be identified and rectified before finalization of the bank's financial statements. (2+3=5)

9. Discuss the circumstances in which an entity is considered as "Associate" as per applicable financial reporting framework. How an

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investment in associates should be measured and reported at reporting date? Clarify. (4+6=10)

10. Explain the classification and measurement requirements for financial assets under NFRS 9. Discuss the Expected Credit Loss (ECL) model. Also, analyze the challenges faced by Nepali banks in implementing the ECL model. (4+4+2=10)

11. During the final statutory audit of a commercial bank in Nepal for the fiscal year, the newly appointed external statutory auditor plans to significantly reduce their substantive testing at rural branches. To achieve this, the external auditor intends to rely almost entirely on the branch audit reports generated by the bank's internal audit department. The internal audit department has a staff of 45 personnel, but it reports directly to the Chief Executive Officer (CEO) rather than the Audit Committee. Furthermore, the external auditor intends to assign two junior internal auditors of the bank to work under their direct supervision to perform physical verification of gold and cash vaults at the Kathmandu main branch.

As an employee in the bank's Finance Department, analyze this arrangement based on relevant Nepal Standard on Auditing (NSA) and: (4+3+3=10)

a) Evaluate whether the external auditor can legally and professionally rely on the work of the bank's internal audit function in this specific scenario. Highlight the three core criteria required under the NSA.

b) Critically analyze the ethical implications of using the bank's internal auditors to provide direct assistance for the physical verification of cash and gold vaults.

c) Outline the mandatory documentation requirements that the external auditor must maintain before concluding their reliance on internal audit work.

12. Outline the verification and reporting requirements for a borrower's working capital statement as prescribed by the Nepal Rastra Bank Working Capital Loan Guidelines and correlate this with Guidelines on Verification of Working Capital Statement issued by ICAN. State how a bank should treat a variance if the borrower's audited annual turnover falls significantly short of their projected turnover. (6+4=10)

- The End -

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लोक सेवा आयोग

राष्ट्रिय वाणिज्य बैंक लिमिटेड, प्रशासन, नगद, पाँचौं, वरिष्ठ सहायक (नगद) पदको आन्तरिक प्रतियोगितात्मक लिखित परीक्षा

२०८३/०७/१०

पत्र: प्रथम | समय: २ घण्टा | पूर्णाङ्क: १००

विषय: Economics, Banking and General Knowledge

प्रत्येक खण्डको उत्तर छुट्टाछुट्टै उत्तरपुस्तिकामा लेख्नुपर्नेछ । अन्यथा उत्तरपुस्तिका रद्द हुनेछ ।

Subjective (Time: 1 hr 15 mins | Marks: 50)

Section "A" (25 Marks)

1. Explain the major factors that promote economic growth and development in a developing country like Nepal. (5)
2. Elucidate the importance of Social Security Fund (SSF) in providing social protection and financial security to workers in Nepal. (5)
3. What is digital financial activities? Explain the means of digital financial activities. (2+3=5)
4. Introduce Base Rate and Know Your Customer. (2.5+2.5=5)
5. Present the current status of import and export of Nepal. (5)

Section "B" (25 Marks)

6. Introducing the law of demand describe the factors affecting the demand for a commodity. (1+4=5)
7. What is Over-the-Counter (OTC) market? Explain its role in Nepal's securities market. (2+3=5)
8. What is Loan to Value Ratio? What are the regulatory provisions laid out by Nepal Rastra Bank regarding the LTV Ratio on vehicle financing by commercial banks? Clarify. (2+3=5)
9. Differentiate between ConnectIPS and Real Time Gross Settlement (RTGS) with respect to transaction purpose, settlement mechanism, processing time, transaction value and users. (5)
10. What corrective internal treasury actions must Rastriya Banijya Bank initiate if the branch-level lending breaches the statutory 90% threshold? Provide reason. (5)

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