

**A Study on**  
**Capital Structure Management of Nepalese Manufacturing**  
**Companies Listed in NEPSE**

**(With special reference to the listed manufacturing companies in NEPSE)**

**A THESIS**

**Submitted By:**

Divas Raj Ghimire

Campus Roll No: 57/064

Exam Roll No: 280386/ 2064-66

TU Regd. No: 7-2-325-99-2004

**Submitted To:**

Office of the Dean

Faculty of Management

Tribhuvan University

*In the Partial fulfillment of the requirements for the Degree of Masters of  
Business Studies (MBS)*

Kirtipur, Kathmandu

September 2011

## **RECOMMENDATION**

This is to certified that the thesis

*Submitted by:*

**DIVAS RAJ GHIMIRE**

*Entitled*

**A Study on Capital Structure Management of Nepalese Manufacturing  
Companies Listed in NEPSE: With special reference to Unilever Nepal  
Limited and Bottlers Nepal Limited**

has been prepared as approved by this department in the prescribed format of  
Faculty of Management.

This thesis is forwarded for Examination.

---

Prof. Dr. Bal Krishna Shrestha

Adhikari

Thesis Supervisor and Chairman, Research Committee  
Department

---

Prof. Dr. Dev Raj

Head of the

Date:.....

## VIVA-VOCE SHEET

We have conducted the Viva-voce examination of the thesis

*Submitted by:*

**DIVAS RAJ GHIMIRE**

*Entitled:*

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Limited and Bottlers Nepal Limited**

And found that thesis to be the original work of the student and written according to be presented format. We recommend the thesis to be accepted as partial fulfillment of the requirement for Master's Degree of Business Studies (MBS)

### VIVA-VOCE COMMITTEE

Chairperson, Research Committee .....

Member (Thesis Supervisor) .....

Member (External Expert) .....

Member (Head of the Department) .....

Date: .....

## DECLARATON

I, hereby, declare that this thesis “**A Study on Capital Structure Management of Nepalese Manufacturing Companies Listed in NEPSE : With Special Reference to Unilever Nepal Limited and Bottlers Nepal Limited**” submitted to Office of the Dean, Faculty of Management, Tribhuvan University is my original work done in the form of partial fulfillment of the requirements for the Degree of Master of Business Studies (M.B.S.) under the supervision of Prof. Dr. Bal Krishna Shrestha, Tribhuvan University, Central Department of Management, Kathmandu.

.....

**DIVAS RAJ GHIMIRE**

(Researcher)

Tribhuvan University,

Central Department of Management

T.U. Regd. No: 7-2-325-99-2004

Exam Roll No: 280386

Campus Roll No: 57/064

Date:.....

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# TABLE OF CONTENT

<u>Chapter</u>	<u>Page</u>
Recommendation	
VIVA-Voce Sheet	
Declaration	
Acknowledgement	
Table of Content	
List of Table	
List of Abbreviations	
<b>Chapter I Introduction</b>	<b>1-11</b>
1.1 Background of the Study	1
1.2 Historical Development of Industry in Nepal	4
1.3 Introduction to Listed Manufacturing Companies Selected for the Study	7
1.4 Statement of the Problem	9
1.5 Objectives of the Study	9
1.6 Significance of the Study	10
1.7 Limitations of the Study	10
1.8 Organizations of the Study	10
<b>Chapter II Review of Literature</b>	<b>12-43</b>
2.1 Conceptual Review	12
2.1.1 Meaning and Concept	12
2.1.2 The Optimal Capital Structure	14
2.1.3 Factors Affecting Capital Structuring	15
2.1.4 The Capital Structure Decision	18
2.1.5 Assumptions of Capital Structure	21

2.1.6 Theories of Capital Structure	22
2.1.7 Approaches of Capital Structure	26
Net Income Approach	27
Net Operating Income Approach	29
Traditional Approach	31
Modigliani-Miller Theory	33
2.2 Review of Journals and Research Work	38
2.2.1 Review of Journals	38
2.2.2 Review of Related Thesis	40
2.3 Research Gap	43
<b>Chapter III Research Methodology</b>	<b>44-48</b>
3.2 Research Design	44
3.3 Nature and Sources of Data	44
3.4 Population and Sample	45
3.5 Data Collection Procedure	45
3.6 Analytical Tools Used	45
3.7 Definitions of Variables	47
<b>Chapter IV Presentation and Analysis of Data</b>	<b>49-71</b>
4.1 Analysis of Leverage	49
Degree of Operating Leverage	49
Degree of Financial Leverage	51
Long-Term Debt as Percentage of Total Debt	52
Debt Equity Ratio in Terms of Long-Term Debt and Shareholders Equity	54
Debt to Total Assets Ratio	55
Shareholders Equity to Total Assets	56
Interest Coverage Ratio	57
Profit Margin	59
Earning Per Share	60

Price Earning Ratio	62
4.2 DU-Pont System Analysis	63
Return on Equity	63
Return on Assets	65
4.3 Cost of Capital	66
Equity Capitalization Ratio	66
Overall Cost of Capital	68
4.4 Major Findings of the Study	69
<b>Chapter V Summary, Conclusion and Recommendation</b>	<b>72-74</b>
5.1 Summary	72
5.2 Conclusion	73
5.3 Recommendations	74
Bibliography	
Appendixes	



## **LIST OF TABLE**

<b><u>Table No</u></b>	<b><u>Title</u></b>	<b><u>Page</u></b>
Table 1	Degree of Operating Leverage	50
Table 2	Degree of Financial Leverage	51
Table 3	Long-Term Debt as a percentage of Total Debt	53
Table 4	Debt Equity Ratio in terms of Long-Term Debt and Shareholders Equity	54
Table 5	Debt to Total Assets Ratio	55
Table 6	Shareholders Equity to Total Assets Ratio	56
Table 7	Interest Coverage Ratio	58
Table 8	Profit Margin	59
Table 9	Earning Per Share	61
Table 10	Price Earning Ratio	62
Table 11	Return on Equity	64
Table 12	Return on Assets	65
Table 13	Equity Capitalization Rate	67
Table 14	Overall Cost of Capital	68
Table 15	Summary of Major Findings	69

## **LIST OF ABBREVIATION**

UNL	Unilever Nepal Limited
BNL	Bottlers Nepal Limited
NLL	Nepal Lever Limited
DNPL	Dauber Nepal Private Limited
NIBL	Nepal Invest Bank Limited
NEPSE	Nepal Stock Exchange
EBIT	Earning Before Interest and Tax
EBT	Earning Before Tax
NI	Net Income
NOI	Net Operating Income
EPS	Earning Per Share
MPS	Market Price per Share
LTD	Long-Term Debt
TD	Total Debt
ROE	Return on Equity
ROA	Return on Assets
WACC	Weighted Average Cost of Capital
$K_d$	Cost of Debt
$K_e$	Cost of Equity
$K_o$	Overall Cost of Capital
DOL	Degree of Operating Leverage
DFL	Degree of Financial Leverage
NPV	Net Present Value
n.d.	No Date of Publication
FY	Fiscal Year

A/C	Account
A.D.	Anno domini
B.S.	Bikram Sambat
V.D.C.	Village Development Committee
i.e.	That is
Pvt. Ltd.	Private Limited
NIDC	Nepal Industrial Development Corporation
Rs.	Rupees
MBA	Masters of Business Administration
MBS	Masters of Business Studies
TU	Tribhuvan University
HMG	His Majesty Government
GDP	Gross Domestic Product