

Money Market Practice in Nepal

A THESIS

Submitted By:

Rupesh Dhungana

Nepal Commerce Campus

T.U. Reg. No.: 7-1-218-556-99

Campus Roll No.: 03/062

Exam Roll No. 2118/064

Submitted to:

Office of the Dean

Faculty of Management

Tribhuvan University

*In the partial fulfillment of requirements for the Degree of
Master of Business Studies (MBS)*

New Baneshor, Kathmandu

August, 2009

RECOMMENDATION

This is to certify that the thesis

Submitted by

Rupesh Dhungana

Entitled:

“Money Market Practice in Nepal”

Has been prepared as approved by this Department in the prescribed format of the Faculty of Management. This thesis is forwarded for examination.

.....
(Prof.Dr. Bihari Binod Pokharel)
Head of Research Department
And
Thesis Supervisor

.....
(Mr. Diwakar Pokhrel)
Campus Chief

.....
(Mr. Rajesh Gurung)
Thesis Supervisor

VIVA VOCE SHEET

We have conducted the viva-voce examination of the thesis presented by

Rupesh Dhungana

Entitled

“Money Market Practice in Nepal”

And found the thesis to be the original work of the student and written according to the prescribed format. We recommend the thesis to be accepted as partial fulfillment of the requirement for Masters of Business Studies (MBS)

Viva –Voce Committee:

Head of Research Department :.....

Member (Thesis Supervisor) :.....

Member (Thesis Supervisor) :.....

Member (External Expert) :.....

Date :

Acknowledgement

This thesis is prepared in partial fulfillment of the requirement of the degree of Master of Business Studies (MBS). It is helpful to take the practical knowledge as planning of the field, locating information sources, collecting and tabulating the data, presenting charts and graphs, analyzing the collected data, and presenting the finding with suggestion and recommendations. It has been a matter of great pleasure forms to conduct this thesis under the supervision and guidance of Prof. **Dr. Bihari Binod Pokhrel**, Head of Research Department, Nepal Commerce Campus and Mr. Rajesh Gurung, Teacher, Nepal Commerce Campus. I'm very much grateful to them for their guidance, support and valuable suggestion in preparing this thesis.

I would like to thank form my bottom of my heart to the Mr. Kamal Prakas Kalathoki (Ass. Director NRB) for providing me a necessary data for preparing thesis.

Last but not the least; I would like to express my gratitude to all the staff of Nepal Commerce Campus, who have also helped me in umpteen ways while preparing this thesis.

Date:.....

.....

Rupesh Dhungana

Reasearcher

Campus Roll No.03/062

T.U. Reg.No. 7-1-274-74-97

Declaration

I hereby declare that the work reported in this entitled “Money Market Practice in Nepal” submitted to Nepal Commerce Campus, Faculty of Management, T.U, is my original work done in the form of partial fulfillment of the requirement for the Masters Degree in Business Studies (MBS) under the supervision of Prof. Dr. Bihari Binod Pokhrel, Head of Research Department, Nepal Commerce Campus Campus and Mr. Rajesh Gurung, Teacher, Nepal Commerce Campus.

Date:

.....

Rupesh Dhungana

Reasearcher

Campus Roll No.03/2062

T.U. Reg.No. 7-1-274-74-97

Abbreviation

ADB/N	Agriculture Development Bank/Nepal
APEC	Asia Pacific Economic Cooperation
AMC	Assets Management Company
CDR	Credit Deposit Ratio
CRR	Cash Reserve Ratio
CAR	Capital Adequacy Ratio
CAMELS	Capital, Assets Quality, Management, Earning, Liquidity and Sensitivity to market risk.
CBs	Compensating Balances
CV	Coefficient of Variation
FIs	Financial Institutions
LLP	Loan Loss Provision
NPA	Non-Performing Assets
NRB	Nepal Rastra Bank
NPL	Non-Performing Loan
NBA	Non-Banking Assets
NIM	Net Interest Margin
NBBL	Nepal Bangladesh Bank Limited
NCC	Nepal Credit & Commercial Bank
NEPSE	Nepal Stock Exchange
RNPL	Remaining Non-Performing Loan
ROA	Return on Assets

ROE	Return on Equity
SI	Suspend Interest
SLR	Statutory Liquidity Ratio
SCBNL	Standard Chartered Bank Nepal Limited
SNA	System National Accounts
UA	Unutilized Assets