

**RISK AND RETURN ANALYSIS AND OPTIMAL PORTFOLIO
CREATION OF COMMON STOCK INVESTMENT
(With References to SBI, NABIL, BOK, NIC, EBL and SCBL)**

By:

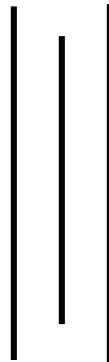
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**A Thesis Submitted to:
Office of the Dean
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Tribhuvan University**



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

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RECOMMENDATION

This is to certify that the Thesis

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Entitled:

**RISK AND RETURN ANALYSIS AND OPTIMAL PORTFOLIO
CREATION OF COMMON STOCK INVESTMENT
(With References to SBI, NABIL, BOK, NIC, EBL and SCBL)**

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DECLARATION

I hereby declare that the work reported in this thesis entitled “**Risk and Return Analysis and Optimal Portfolio Creation of Common Stock Investment (With References to SBI, NABIL, BOK, NIC, EBL and SCBL)**” submitted to Office of the Dean, Faculty of Management, Tribhuvan University, is my original work done in the form of partial fulfillment of the requirement for the Master Degree in Business Studies (MBS) under the supervision of **Asso. Prof. Achyut Raj Bhattarai** and **Pitri Raj Adhikari** of Shanker Dev Campus.

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ABBREVIATIONS

%	:	Percent
&	:	And
ABBS	:	Any Branch Banking Service
AGM	:	Annual General Meeting
BI	:	Banking Index
BOK	:	Bank of Kathmandu Limited
CAPM	:	Capital Assets Pricing Model
CB	:	Commercial Bank
Co.	:	Company
CS	:	Common Stock
CV	:	Coefficient of Variance
DPS	:	Dividend per Share
EBL	:	Everest Bank Limited
EPS	:	Earning Per Share
F/Y	:	Fiscal Year
HPR	:	Holding Period Return
Jr.	:	Junior
Ltd.	:	Limited
MBS	:	Master of Business Studies
MPS	:	Market Price per Share
Mr.	:	Mister
NABIL	:	Nepal Arab Bank Limited
NEPSE	:	Nepal Stock Exchange.
NFR	:	Nominal-risk Free Rate
NI	:	Nepse Index
NIC	:	Nepal Industrial and Commerce Bank Limited.
NRB	:	Nepal Rastra Bank

OI	:	Others Sector Index
P/E Ratio	:	Price Earning Ratio
Pvt.	:	Private
R	:	Expected Return
Rf	:	Real-risk Free rate
r_{ij}	:	Correlation of Coefficient
RRR	:	Realized Rate of Return
Rs.	:	Rupees
SBI	:	Nepal SBI Bank limited
SCBL	:	Standard Chartered Bank Limited
SD	:	Standard Deviation
SEBON	:	Security Exchange Board of Nepal
SML	:	Security Market Line
TU	:	Tribhuvan University