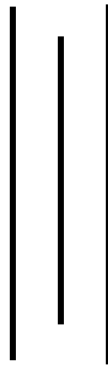


**GLOBAL RECESSION & ITS IMPACT ON  
NEPALESE ECONOMY**

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



*In partial fulfillment of the requirement for the Degree of  
Master of Business Studies (M.B.S)*

**Kathmandu, Nepal  
March, 2010**

## **RECOMMENDATION**

This is to certify that the Thesis

Submitted by:

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### **GLOBAL RECESSION & ITS IMPACT ON NEPALESE ECONOMY**

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

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# VIVA-VOCE SHEET

We have conducted the viva –voce of the thesis presented

by

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NEPALESE ECONOMY**

*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 the Degree of*

**Master of Business Studies (MBS)**

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# **TRIBHUVAN UNIVERSITY**

**Faculty of Management**

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## **DECLARATION**

I hereby declare that the work reported in this thesis entitled “**GLOBAL RECESSION & ITS IMPACT ON NEPALESE ECONOMY**” 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 Degree of Master of Business Studies (MBS) under the supervision of **Reader, Ruchila Pandey** of Shanker Dev Campus.

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## **ACKNOWLEDGEMENT**

A sound financial system accelerates the economic development by facilitating intermediation, maturity transformation, credit allocation and payment system with financial discipline. A well-developed financial system promotes investment by identifying and financing lucrative business opportunities, mobilizing savings, efficiently allocating resources, helping diversify risks and facilitating the exchange of goods and services.

In Nepal, lack in depth any academic work, which is enough to establish a robust relationship between financial development and economic growth. An endeavor is made through this study to explore some ideas that will be instrumental to depict importance of financial sector development and economic growth.

I am glad to have a chance to write this thesis because it is not only important for the course but also it acquaints the management students with the reality of the economy to undertake independent analysis and appraisal of the situation.

It is my duty to express my gratitude to all those persons who have helped me directly or indirectly. First of all my thanks goes to assistant campus Chief (Morning Shift) Asst. Prof. Ruchila Pandey and other teachers who helped through orientation classes and to my colleagues.

To end with, the views and opinions expressed in this study are those of the contributors themselves and do not necessarily reflect and represent the views.

**Shankar Lama**

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## **ABBREVIATIONS**

A/C	:	Account
AIG	:	American International Group
ASEAN	:	Association Southeast Asian Nations
BFI	:	Bank and Financial Institutions
BOP	:	Balance Of Payments
CDO	:	Collateralized Debt Obligations
CDS	:	Credit Default Swap
CEO	:	Chief Executive Officer
CFO	:	Chief Financial Officer
CPI	:	Consumer Price Index
FDI	:	Foreign Direct Investment
FII	:	Foreign Institutional Investors
FY	:	Fiscal Year
GBP	:	Great Britain Pound
GDP	:	Gross Domestic Product
GNI	:	Gross National Income
GON	:	Government of Nepal
i. e.	:	that is
ICOR	:	Incremental Capital Output Ratio
IMF	:	International Monetary Fund
IPO	:	Initial Public Offerings
KYC	:	Know Your Customer
LDC	:	Least Developed Country
LIBOR	:	London Inter Bank Offer Rate
MD	:	Managing Director
MDG	:	Millennium Development Goals
NEA	:	Nepal Electricity Authority
NFA	:	Net Foreign Assets
NRB	:	Nepal Rastra Bank

NRN	:	Non-Resident Nepalese
ODA	:	Official Development Assistance
PPP	:	Purchasing Power Parity
SAARC	:	South Asian Association for Regional Cooperation
SENSEX	:	Bombay Stock Exchange Sensitive Index
UK	:	United Kingdom
UNCTAD	:	United Nations Conference of Trade and Development
US/USA	:	United States/United States of America
USD	:	US Dollar
WMD	:	Weapons of Mass Destruction
WPI	:	Wholesale Price Index
WTO	:	World Trade Organization