

A CASE STUDY OF INFLATION AND ESTIMATION OF THRESHOLD IN NEPAL

A Thesis

**Submitted to the Central Department of Economics,
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By

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LETTER OF RECOMMENDATION

This thesis entitled A CASE STUDY OF INFLATION AND ESTIMATION OF THRESHOLD IN NEPAL has been completed by Mr. Nawaraj Bista under my guidance and supervision. Therefore, I recommend this thesis for examination to the Thesis Committee as a partial fulfillment of the requirements for the Degree of Master of Arts in Economics.

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APPROVAL LETTER

This thesis entitled A CASE STUDY OF INFLATION AND ESTIMATION OF THRESHOLD IN NEPAL submitted by Mr. Nawaraj Bista to the Central Department of Economics, Faculty of Humanities and Social Sciences, Tribhuvan University, in partial fulfillment of the requirements for the Degree of Master of Arts in Economics has been accepted.

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ABBREVIATION AND ACRONYMS

AD	:	Aggregate Demand
ADF	:	Augmented Dickey Fuller Test
AIC	:	Akaike Information Criterion
ARDL	:	Auto Regressive Distributed Lag Model
AS	:	Aggregate Supply
ASEAN	:	Association of South East Asian Nations
BOP	:	Balance of Payment
BPG	:	Bruesh Pagan Godfrey Test
CBS	:	Central Bureau of Statistics
CIS	:	Common Wealth of Independent States
CLRM	:	Classical Linear Regression Model
CLST	:	Conditional Least Square Technique
CPI	:	Consumer Price Index
CUSUM	:	Cumulative Sum
DW	:	Durbin Watson Test
ECM	:	Error Correction Model
ECT	:	Error Correction Term
ECG	:	Endegenous Growth Framework
GDP	:	Gross Domestic Product
IMF	:	International Monetary Fund
JB	:	Jarque Bera Test
L-ARCH	:	Autoregressive Conditional Heterocedasticity
LM	:	Lagrange Multiplier Test
LR	:	Likelihood Ratio
MOE	:	Ministry of Education
MOF	:	Ministry of Finance
NRB	:	Nepal Rastra Bank

OCED	:	Organization For Economic Cooperation and Development
OLS	:	Ordinary Least Square
PE	:	Price Expectation
PDEA	:	Price Division and Economic Analysis
PP	:	Phillps Perron
PWT	:	Penn World Trade
RESET	:	Regression Specification Error Test
RGDP	:	Real Gross Domestic Product
SBC	:	Schwarz Bayesian Criterion
SE	:	Sum of Errors
WDI	:	World Development Indicators
WBDI	:	World Bank Development Indicators