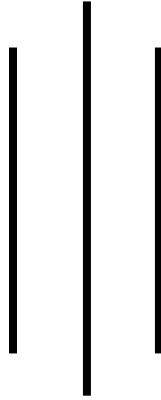


**LIQUIDITY AND CREDIT MANAGEMENT PRACTICES
OF COMMERCIAL BANKS**
[With references to HBL and NIBL]

By:
ACHUT DAHAL
Shanker Dev Campus
TU Regd. No. : 2-1-17-3-99
Roll No.: 2625/064



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, 2012

RECOMMENDATION

This is to certify that the thesis

Submitted by:

ACHUT DAHAL

Entitled:

LIQUIDITY AND CREDIT MANAGEMENT PRACTICES OF COMMERCIAL BANKS

(Reference to HIMALAYAN BANK Ltd. & NEPAL INVESTMENT BANK Ltd.)

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

Asso. Prof. Ruchila Pandey
(Thesis Supervisor)

Prof. Dr. Bishweshor Man Shrestha
(Head of Research Dept.)

Asso. Prof. Prakash Singh Pradhan
(Campus Chief)

Pitri Raj Adhikari
(Thesis Supervisor)

VIVA-VOCE SHEET

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

By:
ACHUT DAHAL

Entitled:
LIQUIDITY AND CREDIT MANAGEMENT PRACTICES OF
COMMERCIAL BANKS

(Reference to HIMALAYAN BANK Ltd & NEPAL INVESTMENT BANK Ltd)

*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*

Master Degree of Business Studies (MBS)

Viva –Voce committee

Head, Research Department
Member (Thesis Supervisor)
Member (Thesis Supervisor)
Member (External Expert)

TRIBHUVAN UNIVERSITY

Faculty of Management

Shanker Dev Campus

DECLARATION

I here by declare that the work reported in this thesis entitled "**LIQUIDITY AND CREDIT MANAGEMENT PRACTICES OF COMMERCIAL BANKS (With references to HBL and NIBL)**" 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's Degree in Business Studies (M.B.S.)** under the supervision of **Asso. Prof. Ruchila Pandey and Mr. Pitri Raj Adhikari** of Shanker Dev Campus.

.....
Achut Dahal

T.U. Regd. No: 2-1-17-3-99

Campus Roll No: 2625/064

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ABBREVIATION

ADB/N	:	Agricultural Development Bank/Nepal
CB	:	Commercial Bank
CEO	:	Chief Executive Officer
CRR	:	Cash Reserve Ratio
HBL	:	Himalayan Bank Limited
NRB	:	Nepal Rastra Bank
NIBL	:	Nepal Investment Bank Limited
NIDC	:	Nepal Industrial Development Corporation
SCBNL	:	Standard Charter Bank Nepal Limited
T.C	:	Trade Credit
NPL	:	Non- Performing Loan
CIB	:	Credit Information Bureau
LDC	:	Least Developed Countries
NBA	:	Nepal Bank Act
NBL	:	Nepal Bank Limited
NGO	:	Non-Government Organization
NPA	:	Non-Performing Assets
RBB	:	Rastriya Banijya Bank
\bar{X}	:	Arithmetic mean
A.D	:	Anno Domine
ADB	:	Agricultural Development Bank
AGM	:	Annual general meeting
APEC	:	Asia Pacific Economic Cooperation
B.S	:	Bikram Sambat
BC	:	Before Christ
BOK	:	Bank of Kathmandu
C.V	:	Co-efficient of variation
C.D	:	Credit-Deposit
C.A	:	Current Assets

EBL	:	Everest Bank Limited
EPS	:	Earning per share
F/Y	:	Fiscal Year
i.e.	:	That is
JVB	:	Joint Venture Bank
KBL	:	Kumari Bank Limited
L/C	:	Letter of credit
MBA	:	Masters of Business Administration
MBS	:	Masters of Business Studies
MPS	:	Market Price per Share
NABIL	:	Nepal Arab Bank Limited
NBBL	:	Nepal Bangladesh Bank Limited
NCCBL	:	Nepal Credit and Commerce Bank Limited
MBS	:	Master of Business Studies
ATM	:	Automatic Teller Machine
AGM	:	Annual General Meeting
LTD	:	Limited
NEPSE	:	Nepal Stock Exchange
T.U	:	Tribhuvan University
Rs.	:	Rupees
O.D	:	Over Draft
No.	:	Number
%	:	Percentage
EPS	:	Earning Per Share
P.E	:	Probable Error
	:	Sigma / Summation
r	:	Coefficient of Correlation
FSRP	:	Financial Sector Reform Program
σ (S.D)	:	Standard Deviation