

**INTEREST RATE BEHAVIOR OF
COMMERCIAL BANKS**

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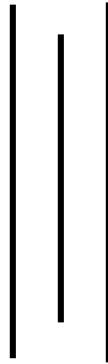
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RECOMMENDATION

This is to certify that the Thesis

Submitted by:

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INTEREST RATE BEHAVIOR OF COMMERCIAL BANKS

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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DECLARATION

I hereby declare that the work reported in this thesis entitled **“INTEREST RATE BEHAVIOR OF COMMERCIAL BANKS”** 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 **Joginder Goet, Lecturer** of Shanker Dev Campus.

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ACKNOWLEDGEMENT

This research study “*Interest Rate Behavior of Commercial Banks*” which is a partial fulfillment for the Degree of Masters of Business Studies (MBS) under the course designed by the Faculty of Management, T.U, is based on the prescribed research format involving the use of qualitative and quantitative model to explain the relationship between interest rates prevailed in the Nepalese Commercial Banks and their determining factors. Since, there was lack of such study relating to interest, it is hoped that this study will add one brick on the wall and will be beneficial to other researchers, students and teachers and other parties involved. This study reveals the various determining factors of interest rate and their impact on prevailed interest rates taking the views and experiences of various activates.

This study has been completed with the help of various people. I am fortunate to acknowledge my thesis supervisor Joginder Goet, lecturer of Shanker Dev Campus for his scholarly guidance and support all the time despite their busy schedule. Without his guidance and valuable suggestion it would have been extremely difficult to bring this in this form.

I would like to pay my gratitude to all the staffs of sample organizations and NRB without whose help this thesis would not have been completed. I also wish to appreciate all those who encouraged me to write this thesis.

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ABBREVIATIONS

ATM	=	Automatic Teller Machine
B.S.	=	Bikram Sambat
BOK	=	Bank of Kathmandu
CRR	=	Cash Reserve Ratio
D.F	=	Degree of Freedom
EPF	=	Employee Provident Fund
FY	=	Fiscal Year
GDP	=	Gross Domestic Product
HBL	=	Himalayan Bank Limited
IRR	=	Internal Rate of Return
Ltd.	=	Limited
NBBL	=	Nepal Bangladesh Bank Limited
NBL	=	Nabil Bank Limited
NBL	=	Nepal Bank Limited
NEPSE	=	Nepal Stock Exchange
NRB	=	Nepal Rastra Bank
PVIFA	=	Present Value Interest Factor for an Annuity
Rs.	=	Rupees
SC	=	Servicing Cost

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