

**RISK AND RETURN ANALYSIS OF COMMON STOCK  
INVESTMENT OF LISTED COMMERCIAL BANKS  
(With References to NIBL, HBL and EBL)**

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In partial fulfillment of the requirements for the degree of  
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# RECOMMENDATION

This is to certify that the Thesis

**Submitted by:**  
**Rakesh Raj Giri**

**Entitled:**  
**RISK AND RETURN ANALYSIS OF COMMON STOCK**  
**INVESTMENT OF LISTED COMMERCIAL BANKS**  
**(With References to NIBL, HBL and EBL)**

*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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**RISK AND RETURN ANALYSIS OF COMMON STOCK  
INVESTMENT OF LISTED COMMERCIAL BANKS  
(With References to NIBL, HBL and EBL)**

*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*

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## **Faculty of Management**

### **Shanker Dev Campus**

#### **DECLARATION**

I hereby declare that the work reported in this thesis entitled “**RISK AND RETURN ANALYSIS OF COMMON STOCK INVESTMENT OF LISTED COMMERCIAL BANKS (With References to NIBL, HBL and EBL)**” 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 of Business Study (M.B.S.) under the supervision of **Associate Professor Ruchila Pandey and Assistant Lecturer Madhu Sudan Gautam** of Shanker Dev Campus.

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**Date: June, 2012**

## **ACKNOWLEDGEMENT**

This report on “**RISK AND RETURN ANALYSIS OF COMMON STOCK INVESTMENT OF LISTED COMMERCIAL BANKS (With References to NIBL, HBL and EBL)**” has been prepared as per the course of Master of Business Studies, second year. This report has attempted to explore the risk and return of common stock of some of the major joint-venture commercial banks and try to compare the risk and return of common stock of the commercial banks and also with that of the market risk and return before reaching into some deciding conclusions.

In this effort of preparing the report, I am especially grateful to **Associate Professor Ruchila Pandey** and **Assistant Lecturer Madhu Sudan Gautam**, my teachers, who has given me fruitful suggestions and guidance to frame out this report. I am also thankful to the officers and staffs of NEPSE together with staffs of various commercial banks for making me available different resource materials and data. Similarly, I also want to remember the help that I have received from the library staffs of various campuses, especially staffs of Shankar Dev Campus, Nepal Commerce Campus and Central Library, T.U. Last but not the least; I am most indebted to my friend **Mr. Binod K C** for his great support and encouragement that help to give a fine accomplishment to this report.

**Rakesh Raj Giri**  
**Researcher**

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## ABBREVIATIONS

|           |   |                               |
|-----------|---|-------------------------------|
| AGM       | : | Annual General Meeting        |
| CAPM      | : | Capital Assets Pricing Model  |
| CV        | : | Coefficient of Variation      |
| DPS       | : | Dividend per Share            |
| EBL       | : | Everest Bank Limited          |
| EMH       | : | Efficient Market Hypothesis   |
| EPS       | : | Earnings per Share            |
| FY        | : | Fiscal Year                   |
| HBL       | : | Himalayan Bank Limited        |
| HPR       | : | Holding Period Return         |
| JV        | : | Joint Venture                 |
| MPS       | : | Market Price of Share         |
| NB Bank   | : | Nepal Bangladesh Bank         |
| NBL       | : | Nepal Bank Limited            |
| NEPSE     | : | Nepal Stock Exchange          |
| NIBL      | : | Nepal Investment Bank Limited |
| NRB       | : | Nepal Rastra Bank             |
| SBI Nepal | : | State Bank of India Nepal     |
| SCB       | : | Standard Chartered Bank       |
| SD        | : | Standard Deviation            |
| SML       | : | Security Market Line          |
| SR        | : | Systematic Risk               |
| TU        | : | Tribhuvan University          |
| USR       | : | Unsystematic Risk             |