

A STUDY ON INDO-NEPAL TRADE SITUATION



A Thesis Submitted by:
Manoj Kumar Sah
Roll No.: 2112/064
Shanker Dev Campus
T.U. Reg. No.:7-1-14-801-2001

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VIVA-VOCE SHEET

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

By

Manoj Kumar Sah

Entitled:

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And found the thesis to be the original work of the student written accordance with the prescribed format. We recommend the thesis to be accepted as partial fulfillment of the requirements for the degree of

Master's Degree in Business Studies (MBS)

Viva-Voce Committee

Chairperson, Research Committee

Member (Thesis Supervisor)

Member (External Expert)

RECOMMENDATION

This is to certify that the thesis

Submitted by:
MANOJ KUMAR SAH

Entitled:

A STUDY ON INDO-NEPAL TRADE SITUATION

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

Dr. N.K.Pradhan
(Thesis Supervisor)

Prof. Dr.Kamal Deep Dhakal
(Head,Research Department)

Asso.Prof.Prakash Singh Pradhan
(Campus Chief)

DECLARATION

I hereby declare that the work reported in this thesis entitled “**A Study on Indo-Nepal Trade Situation**” submitted to Shanker Dev Campus, Faculty of Management, Tribhuvan University, is my original work done in the form of partial fulfillment of the requirement for the Master of Business Studies(MBS) under the supervision of **Dr N.K.Pradhan**, Shanker Dev Campus.

.....

Mr. Manoj Kumar Sah

Shanker Dev Campus

Roll No.:2112/064

T.U. Registration No.: 7-1-14-801-2001

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This thesis is an outcome of my master degree work. I have tried to find out the trade situation between the Nepal and its neighboring country, India. The large volume of the trade of Nepal is with India. Similarly, the dependency of trade of Nepal with India is also high.

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At last, I would like to state that this report is not complete and perfecting satisfactory. There may be various limitations and short comings due to the constraints of time and resources. I am alone responsible for my defects of analysis or errors in this research.

Mr. Manoj Kumar Sah
Researcher

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ABBREVIATIONS

ASEAN	Association of Southeast Asian Nations
C.I.F	Cost, Insurance and Freight
EU	European Union
e.g.	<i>exempli gratia</i> (example)
F/Y	Fiscal Year
F.O.B.	Freight on Board
GATT	General Agreement on Tariffs and Trade
H-O	Heckscher-Ohlin
i.e.	<i>id est</i> (that is)
ISO	International Standard Organization
NAFTA	North America Free Trade
Rs.	Rupees
SAARC	South Asian Association for Regional Co-orporation
TTV	Total Trade Volume
US\$	United States Dollar
U.S.A.	United States of America
WTO	World Trade Organization

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ANNEX-I

Test on Correlation between the Trade between India & Overall Trade of Nepal

Null Hypothesis (H_0): $=0$, i.e. the variables in the population are uncorrelated.

Alternative Hypothesis (H_1): $\neq 0$, i.e. the variables in the population are correlated. (two-tailed test)

F/Y	Overall TTV(X)	India(Y)
1998/99	12320.16	4465.04
1999/2000	15832.76	6088.08
2000/01	17134.13	7124.12
2001/02	15433.38	8457.83
2002/03	17428.27	9735.42
2003/04	19018.78	10951.66
2004/05	20817.93	12759.24
2005/06	23401.44	14785.78
2006/07	25407.77	15760.11
2007/08	28120.42	18093.22
2008/09	35216.71	20344.35
2009/10	43515.92	25710.80
2010/11	46051.40	30528.56
2011/12*	34380.46	22386.75

Correlation Coefficient (r)=+0.98

$$\begin{aligned}\therefore t &= \frac{r}{\sqrt{1-r^2}} \times \sqrt{n-2} \\ &= \frac{0.98}{\sqrt{1-(0.98)^2}} \times \sqrt{15-2} \\ &= 89.34\end{aligned}$$

Decision: Since the calculated value of t is greater than tabulated value of t, the alternative hypothesis, H_1 is accepted. Hence, the variables in the population are correlated.