

**Impact of Microfinance Services on Living Standard in Bhirkot
Municipality**

A Dissertation submitted to the Faculty of Management in partial fulfilment of the
requirement for the Master's Degree

by

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March,2021

Report of Research Committee

Ms.ChandrakalaBhandari has defended research proposal entitled “Impact of Microfinance Services on Living Standard in Bhirkot Municipality” successfully. The research committee has registered the dissertation for further progress. It is recommended to carry out the work as per suggestions and guidance of supervisor ProfessorBhawaniShankerAcharya and submitted the thesis for evaluation and viva voce examination.

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Approval-Sheet

We, the undersigned, have examined the thesis entitled **“Impact of Microfinance Services on Living Standard in Bhirkot Municipality”** presented by Ms.ChandrakalaBhandari, a candidate for the degree of **Master of Business Studies (MBS)** and conducted the viva voce examination of the candidate. We hereby certify that the thesis is worthy of acceptance.

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Certification of Authorship

I hereby corroborate that I have researched and submitted the final draft of dissertation entitled “Impact of Microfinance Services on Living Standard in Bhirkot Municipality”. The work of this dissertation has not been submitted previously for the purpose of conferral of any degrees nor has it been proposed and presented as part of requirement for any other academic purposes.

The assistance and cooperation that I have received during this research work has been acknowledged. In addition, I declare that all information sources and literature used are cited in the reference section of the dissertation.

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17thMarch, 2021

Acknowledgements

This study entitled **“Impact of Microfinance Services on Living Standard in Bhirkot Municipality”** has been conducted to satisfy the partial requirements for the degree of Master of Business Studies, Tribhuvan University. This work is an outcome of support and input of numerous helpful individuals to whom I express my sincerest gratitude.

It is difficult to overstate my gratitude to my research supervisor, Professor Bhawani Shanker Acharya who did not only patiently direct me but painstakingly read through this paper and made useful criticisms and suggestions. Throughout my research report writing period, he provided encouragement, sound advice, good teaching, good company, and lots of good ideas.

I like to give special thanks to our respected lecturers Asso. Prof. Dr. Achuyt Gyawali, Prof. Dr. Dhurba Lal Pandey and Lecturer Bharat Singh Thapa for their warm and fruitful suggestions to accomplish this work.

I also want to acknowledge Prof. Dr. Ramji Gautam, Head of Department, Central Department of Management (CDM) and Prof. Dr. Sanjay Kumar Shrestha, Research Committee Head whose support and motivation brought encouragement to work within the set time. I extend my appreciation to Mr. Mukunda Rimal, Administration Head and other staffs for all the help during research project report completion time.

I am grateful towards the staffs of Andhikhola Laghubitta Bittiya Sanstha Ltd. and Mero Microfinance Bittiya Sanstha Ltd. for their support during data collection.

I am forever indebted towards my parents, family and friends for their kind understanding, support and encouragement throughout the whole research project report completion time. I am also very thankful to all the respondents for responding to my questionnaires in a supportive way that helped me to save my time and efforts.

Thank You

Chandrakala Bhandari

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Abbreviations

ACSI	Amhara Credit & Saving Institution
ADB/N	Agricultural Development Bank of Nepal
ALBSL	AndhikholaLaghubittaBittiyaSanstha Limited
ANOVA	Analysis of Variance
DECSI	Dedebit Credit Saving Institution
GB	Grameen Bank
MDGs	Millennium Development Goals
MF	Microfinance
MFIs	Microfinance institutions
NGOs	Non-Governmental Organizations
NRB	Nepal Rastra Bank
PAWDEP	Pamoja Women Development Programme
S.D.	Standard Deviation
SFCL	Small Farmer Cooperative limited
SPSS	Statistical Package for Social Science
UNO	United Nations Organization
URAC	Union Regional de ApoyoCampesino
UNO	United Nations Organization
VDC	Village Development Committee
WB	World Bank

Abstract

The study investigates the impact of microfinance services (MFs) on living standard of the people of Bhirkot municipality. All the people involved in microfinance institutions in Bhirkot are the target population of the study. 115 samples of the customers were selected for the study using convenient sampling method. Descriptive, analytical and correlational research design has been adopted to fulfill the objectives of the study. Mean, standard deviation, correlation and regression were used in carrying out analysis. The primary data is collected through structured questionnaires. The study is based on Likert scale questionnaire on the scale of 5 to 1. It is based on previous research article.

Four indicators of living standard were identified and determined the impact of MFs on those key indicators. From the results it is concluded that the MFs has a significant positive relationship with household income, education, health and ownership of household assets. Microfinance institutions need to focus on financial innovation and new product design that can satisfy the need and improve the living standard of poor households. Moreover, NRB should formulate well-functioning and realistic policies in order to enhance the contribution of microfinance industry towards poverty alleviation.