

**RELATIONSHIP BETWEEN WORKERS' REMITTANCE AND
PER CAPITA REAL GDP IN NEPAL**

A Thesis Submitted

By

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CERTIFICATION OF AUTHORSHIP

I certify that the work in this thesis entitled “**Relationship between workers’ remittance and per capita real GDP in Nepal**” has not previously been submitted for a degree nor has it been submitted as part of requirements for a degree except as fully acknowledged within the text.

I also certify that the thesis has been written by me. Any help that I have received in my research work and the preparation of the thesis itself has been acknowledged. In addition, I certify that all information sources and literature used are indicated in the reference section of the thesis.

(.....)

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RECOMMENDATION LETTER

It is certified that thesis entitled Relationship between workers' remittance and per capita real GDP submitted by Alisha Maharjan is an original piece of research work carried out the candidate under my supervision. Literary presentation is satisfactory and the thesis is in a form suitable for publication. Work evinces the capacity of the candidate for critical examination and independent judgement. Candidate has put in at least 60 days after registration the proposal. The thesis is forwarded for examination.

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We, the undersigned, have examined the thesis entitled Relationship between workers' remittance and per capita real GDP in Nepal presented by Alisha Maharjan, 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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ABSTRACTS

The study focused on the trend of the remittance and per capita real GDP and impact of remittance in per capita real GDP of Nepal. Secondary data were used for the study collected from Economic Survey of the Ministry of Finance of Government of Nepal. In this study the trend of workers' remittance and per capita real GDP of Nepal is shown by calculating the year wise flow of remittance and per capita real GDP. Line graph is also shown in order to illustrate the trend of remittance and per capita real GDP in Nepal. To test the impact of remittance in per capita real GDP simple correlation coefficient and linear regression model was used. The data of remittance and per capita real GDP were analyzed for 29 years from fiscal year 1990/91 to 2018/19. From the study it is found that there is a positive relationship between remittance and per capita real GDP in Nepal. The study also showed that the growth rate of per capita real GDP is very low in comparison to growth rate of remittance. The study concluded that the flow of remittance is increasing every year and the workers remittance play a significant role in the growth of per capita real GDP.

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ABBREVIATIONS

A	=	Total Factor Productivity
ARDL	=	Autoregressive Distributed Lag
FDI	=	Foreign Direct Investment
GDP	=	Gross Domestic Product
GNP	=	Gross National Product
K	=	Capital
L	=	Labor
MoF	=	Ministry of Finance
OLS	=	Ordinary Least Square
PCI	=	Per Capita Income
RGDP	=	Real Gross Domestic Product
Rm	=	Remittance
Y	=	Output