DETERMINANTS OF SHARE PRICE OF COMMERCIAL BANK IN NEPAL

A Thesis

By

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RECOMMENDATION LETTER

It is certified that thesis entitled **Determinants of Share Price of Commercial Bank in Nepal**submitted by AnishaKhadka is an original piece of research work carried out by 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 judgment. Candidate has put in at least 60 days after registering the proposal. The thesis is forwarded for examination.

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APPROVAL SHEET

We, the undersigned, have examined the thesis entitled **Determinants of Share Price of Commercial Bank in Nepal**presented byAnishaKhadka**,** a candidate for the degree of **Master of Business Studies (MBS)** and conduced the viva voce examination of the candidate. We herby certify that the thesis is worthy of acceptance.

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CERTIFICATION OF AUTHORSHIP

I certify that the work in this thesis has not previously been submitted for a degree or has it been submitted as part of requirement 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 acknowledge. In addition, i certify that all information, sources and literature used are indicated in the reference section of the thesis.

_____

AnishaKhadka

December, 2018

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ABSTRACT

The focus of this thesis is to analyze the determinant of share price of commercial bank in Nepal over the period 2012/13 to 2016/1 where MPS is dependent variable and EPS, BVPS, DPS and P/E Ratio are independent variables.

In present study, Descriptive Research Design is adopted to achieve the objectives of this research. Among the 28 commercial banks which is the population, four commercial banks are selected as a sample which are listed and doing share transaction in NEPSE. The sampling method used is the Convenient sampling. Multiple correlation and simple and multiple regression models have been selected to measure the impact of share price with other variables.

The empirical findings shows that EPS, BVPS, P/E Ratio have the significant positive impact with share price while DPS have significant negative impact with share price of selected banks. The impact of share price on P/E Ratio of NSBI and NBBL is significant while EPS, DPS and BVPS are not significant. This conclusion is in accordance with the conclusion of the past studies carried out in Nepalese context.

TABLE OF CONTENTS

	Page No.:
Certificate of Authorship	ii
Recommendation Letter	iii
Approval Sheet	iv
Acknowledgements	v
Abstract	xii
Table of Contents	vi
List of Table	ix
Abbreviations	xi
CHAPTER 1 INTRODUCTION	**1-6**
1.1 Background of the Study	1
1.2 Statement of the Problem	3
1.3 Objectives of the Study	4
1.4 Significance of the Study	4
1.5 Limitations of the Study	5
1.6 Chapter Plan	5
CHAPTER 2 LITERATURE REVIEW	**7-26**
2.1 Conceptual Review	7
2.1.1 Stock Market	7
2.1.2 Common stock	11
2.1.3 Preferred Stock	12
2.1.4 Stock Price	13
2.1.5 Market price per share (MPS)	13
2.1.6 Book value per share (BVPS)	14
2.1.7 Earning per share (EPS)	14
2.1.8 Dividend Per Share (DPS)	15

2.2 Review of Previous Works 15
2.2.1 Review of Articles in the Journal 15
2.2.2 Review of Previous Thesis 20
2.3 Research Gap 24
2.4 Theoretical Framework 24

CHAPTER 3 METHODOLOGY **27-32**
3.1 Research Design 27
3.2 Population and Sample 27
3.3 Nature and Sources of Data 27
3.4 Data Collection and Processing Procedure 28
3.5 Data Analysis Tools and Techniques 28
3.5.1 Financial Tools 28
3.5.2 Statistical Tools 29

CHAPTER 4 RESULTS **33-43**
4.1 Analysis of Financial indicators and variables 33
4.1.1 Analysis of Market price per share Pattern (MPS) 33
4.2 Analysis of Statistical indicator 37
4.2.1 Regression Analysis 37
4.2.2 Bivariate Correlation Analysis 42
4.3 Major Findings 42

CHAPTER 5 CONCLUSION **44-46**
5.1 Summary 44
5.2 Conclusion 45
5.3 Implications 46

REFERENCES **47-49**
APPENDICES **50-51**

LIST OF TABLE

Table No.		Page No.
4.1	MPS Pattern of Selected Banks	33
4.2	EPS Pattern of Selected Banks	34
4.3	BVPS Pattern of Selected Banks	35
4.4	DPS Pattern of Selected Banks	36
4.5	P/E Ratio Pattern of Selected Banks	36
4.6	Regression Coefficient of MPS on EPS	38
4.7	Regression Coefficient of MPS on BVPS	38
4.8	Regression Coefficient of MPS on DPS	39
4.9	Regression Coefficient of MPS on P/E Ratio	39
4.10	Multiple Regression Analysis	40
4.11	Bivariate Correlation Analysis	42

LIST OF ABBREVIATION

AMEX	:	American Stock Exchange
BVPS	:	Book Value Per Share
C.V.	:	Coefficient of Variation
DPS	:	Dividend Per Share
EPS	:	Earning Per Share
MPS	:	Market Price Per Share
NASDAQ	:	National Association of Securities Dealers Automated Quotation system
NBBL	:	Nepal Bangladesh Bank Limited
NEPSE	:	Nepal Stock Exchange
NSBI	:	Nepal State Bank of India
NYSE	:	New York Stock Exchange
OTC	:	Over-the-Counter
OTCEI	:	Over-the-Counter Exchange India
P/E Ratio	:	Price Earning Ratio
PROF	:	Professor
RS	:	Rupees
S.D.	:	Standard Deviation
SCBL	:	Standard Chartered Bank Limited
SEBON	:	Security Board of Nepal
U.S	:	United State