AN ANALYSIS OF RETURNS OF NEPALESE STOCKS

A Thesis

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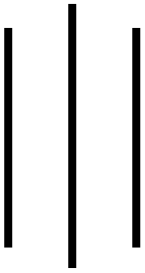

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27th March, 2009

RECOMMENDATION

This is to certify that the thesis

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"An Analysis of Returns of Nepalese Stocks"

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DECLARATION

I hereby declare that the work reported in the thesis entitled "An Analysis of Returns of Nepalese Stocks" submitted to Shankerdev Campus, is my original work done in the form of partial fulfillment of the requirement for the Master's Degree of Business Studies under the guideline and supervision of Rabindra Bhattarai and Shree Bhadra Neupane.

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I apologize for any errors committed in this work.It was a great experience of doing a thesis work which certainly helped me to gain deep knowledge in the subject matter. Though it was very difficult to get data and information, it was pleasant feeling to accomplish the thesis work finally.

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Appendix-I: List of Stock Returns and Fundamental Variables of 41 enterprises with 158 observations. a-d

LIST OF ABBREVIATIONS AND SYMBOLS

Co.	=	Company
eg.	=	For example
etc.	=	Etcetra
i.e.	=	That is
Ltd.	=	Limited
MBS	=	Master's Degree in Business Studies
NEPSE	=	Nepal Stock Exchange
No.	=	Number
S. No.	=	Serial Number
SEBO/N	=	Security Board of Nepal
T.U.	=	Tribhuvan University
Vol.	=	Volume
SEC	=	Stock Exchange Center
SLB	=	Sharpe, Lintner and Black
CAPM	=	Capital Asset Pricing Model
E/P	=	Earning price ratio (Earnings yield)
DY	=	Dividend Yield
CY	=	Capital Gain Yield
TY	=	Total Yield
β	=	Beta Coefficient
Cov	=	Covariance
SML	=	Security Market Line
APT	=	Arbitrage Pricing Theory
SUR	=	Seemingly Unrelated Regression
B/M	=	Book-to-Market equity ratio
C/P	=	Cash Flow Yield
A/BE	=	Book leverage
A/ME	=	Market leverage
NYSE	=	New York Stock Exchange
AMEX	=	American Stock Exchange
TSE	=	Tokyo Stock Exchange
NASDAQ	=	National Association of Securities Dealers Automated Quotation System
IRR	=	Internal Rate of Return
LS	=	Size

ME	=	Market Value of Equity
ln	=	Natural logarithm
NIBL	=	Nepal Investment Bank Limited
BOK	=	Bank of Kathmandu Limited
HBL	=	Himalayan Bank Limited
NBL	=	Nabil Bank Limited
NICB	=	Nepal Industrial and Commercial Bank Limited
NSB	=	Nepal SBI Bank Limited
EBL	=	Everest Bank Limited
SCB	=	Standard Chartered Bank Nepal Limited
NIDCB	=	NIDC Bank
NDB	=	Nepal Development Bank Limited
NUB	=	NIrdhan Utthan Bank Limited
NFL	=	Narayani Finance Limited
KFL	=	Kathmandu Finance Limited
GFCL	=	Gorkha Finance Company Limited
PFCL	=	Pokhara Finance Company Limited
AEFL	=	Alpic Everest Finance Limited
YFL	=	Yeti Finance Limited
AFCL	=	Annapurna Finance Company Limited
PFL	=	Peoples' Finance Limited
NHMCL	=	Nepal Housing and Merchant Finance Limited
NFSCL	=	Nepal Finance and Saving Company Limited
GWFCL	=	Goodwill Finance Company Limited
NSMCL	=	Nepal Share Market Company Limited
UFL	=	United Finance Limited
CIT	=	Citizen Investment Trust
CFCL	=	Central Finance Company Limited
UFCL	=	Union Finance Company Limited
PICL	=	Premier Insurance Company Limited
UICL	=	United Insurance Company (Nepal) Limited
NICL	=	Neco Insurance Company Limited
SICL	=	Sagarmatha Insurance Company Limited
HGICL	=	Himalayan General Insurance Company Limited
EICL	=	Everest Insurance Company Limited
SHL	=	Soltee Hotel Limited
OHL	=	Oriental Hotel Limited

TRHL	=	Taragaon Regency Hotel Limited
UNL	=	Unilever Nepal Limited
BNL	=	Bottlers Nepal Limited
BNTL	=	Bottlers Nepal (Terai) Limited
BBCL	=	Bishal Bazar Company Limited
STCL	=	Salt Trading Corporation Limited
SEE	=	Standard Error of Estimate
Fig.	=	Figure
T_p	=	Treynor Index of Portfolio Performance
S_p	=	Sharpe Index of Portfolio Performance
MPS	=	Market Price Per Share
NRB	=	Nepal Rastra Bank