

**FINANCIAL RATIOS AS PREDICTORS OF CORPORATE
FAILURE IN NEPAL**

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In partial fulfillment of the requirement of the degree of

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RECOMMENDATION

This is to certify that the Thesis

Submitted by:

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Entitled

“Financial Ratios as Predictors of Corporate Failure in Nepal”

Has been prepared as approved by this Department in the prescribed format of the

Faculty of Management. This thesis is forwarded for examination.

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VIVA-VOCE SHEET

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

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DECLARATION

I hereby declare that this study entitled “Financial Ratios as Predictors of Corporate Failure in Nepal” submitted to Shanker Dev Campus, Faculty of Management, Tribhuvan University, is my original work done in the form of partial fulfillment of the requirements of Master Degree in Business Studies (MBS) under the supervision of Mrs. Shnehalata Kafle, Associate Professor and Mr. Priti Raj Adhikari, Lecturer of Shanker Dev Campus

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Acknowledgement

This thesis entitled “Financial Ratios as Predictors of Corporate Failure in Nepal” has been prepared with a view to examine the predictive power of financial variables and develop model of discriminant analysis on failure of selected manufacturing, trading, hotel and others firms. This is prepared for partial fulfillment of the requirement for the Degree of Masters of Business Studies (M.B.S.).

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Finally, I would like to say that I alone am responsible for any deficiencies that have been found in this thesis work.

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Ramita Awale

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LIST OF ABBREVIATIONS

CACL	= Current Assets to Current Liabilities
CFTD	= Cash Flow to Total Assets
CR	= Current Ratio
EBITTA	= Earnings Before Interest and Taxes to Total Assets
LPM	= Linear Probability Model
MDA	= Multivariate Discriminant Analysis
NEPSE	= Nepal Stock Exchange
NINW	= Net Income to Net worth
NITA	= Net Income to Total Assets
NWTA	= Net Worth to Total Assets
ROA	= Return on Assets
ROE	= Return on Equity
SEBON	= Security Board of Nepal
STA	= Sales to Total Assets
TDTA	= Total Debt to Total Assets
WCTA	= Working Capital to Total Assets

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