

**INFLATION AND GROWTH: ESTIMATION OF THRESHOLD
LEVEL OF INFLATION IN NEPAL**

A Thesis

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in Partial Fulfillment of the Requirements**

**for the Degree of
MASTER OF ARTS
in
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By

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LETTER OF RECOMMENDATION

This thesis entitled "**INFLATION AND GROWTH: ESTIMATION OF THRESHOLD LEVEL OF INFLATION IN NEPAL**" has been prepared by Ms. Babita Bhattarai under my supervision. I hereby recommend this thesis for examination to the Thesis Committee as a partial fulfillment of the requirements for the Degree of MASTER OF ARTS in ECONOMICS.

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APPROVAL SHEET

We clarify that this thesis entitled "**INFLATION AND GROWTH: ESTIMATION OF THRESHOLD LEVEL OF INFLATION IN NEPAL**" submitted by Ms. Babita Bhattarai to the Central Department of Economics, Faculty of Humanities and Social Sciences, Tribhuvan University, in partial fulfillment of the requirements for the Degree of Masters of Arts in Economics has been found satisfactory in scope and quality. Therefore, we accept this thesis as a part of the said degree.

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I bear sole responsibility for any errors and discrepancies that might have occurred in this Study.

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LIST OF ACRONYMS

AIC	-	Akaike Information Criterion
ADO	-	Asian Development Outlook
ARDL	-	Auto Regressive Distributed Lag Model
CBS	-	Central Bureau of Statistic
CPI	-	Consumer Price Index
FY	-	Fiscal year
GDP	-	Gross Domestic Product
JB	-	Jarque Berra Test
LM	-	Lagrange Multiplier Test
IMF	-	International Monetary Fund
MOF	-	Ministry of Finance
OLS	-	Ordinary Least Squares
NRB	-	Nepal Rastra Bank
RESET	-	Regression Specification Error Test
SBC	-	Schwarz Bayesian Criterion
UK	-	United Kingdom
USA	-	United States of America