

# A STUDY ON CAPITAL STRUCTURE OF SIDDHARTHA BANK LIMITED

**A**

**Thesis**

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**Kirtipur**

In partial fulfillment for the requirements for the degree of Master of  
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Ref.....

# RECOMMENDATION

This is to certify that the thesis:

**SUBMITTED BY**

**PRAKASH GAUTAM**

**ENTITLED**

**A STUDY ON CAPITAL STRUCTURE OF SIDDHARTHA BANK  
LIMITED**

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

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And found the thesis to be the original work of the student written according to the prescribed format. We recommend the thesis to be accepted as partial fulfillment of the requirement for Master of Business Studies (MBS)

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# DECLARATION

I hereby declare that the work reported in this thesis entitled **A Study on Capital Structure of Siddhartha Bank Limited** submitted to Mahendra Multiple Campus, Faculty of Management, Tribhuvan University, is my original work done in the form of partial fulfillment of the requirements of the Master's Degree in Business Studies (MBS) under the supervision of my thesis supervisor Asst Lecturer of Mahendra Multiple Campus Mr. Dol Bahadur Bhandari.

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Now a Day banking industries are developed as the lifeblood of economy. Without banking industries, there are so many obstacles to run a well economy. The bank collects money as saving and investment to different sector. Therefore, it is highly sensitive and important business of any Countries.

Bank may have different capital structure as per their strategies and capabilities. The strength and weakness can be measure by the capital structure of bank. I decide the subject matter as capital structure management for the research work because I am interested to study about the Banking sector of Nepal. So, I think that I am a fateful student to get valuable support, guidance and helped from numerous personalities, without their helps this study could not have been completed in this form.

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Prakash Gautam

Researcher



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## Abbreviation and Symbols

\$	:	US dollar
%	:	Percentage
&	:	And
ATM	:	Automated Teller Machine
Av.	:	Average
DFL	:	Degree of financial leverage
DOL	:	Degree of operating leverage
DPR	:	Dividend Payout ratio
EBIT	:	Earning Before interest and tax
EBT	:	Earning before tax
EPS	:	Earning per share
Etc	:	Ec' cetera
F.Y	:	Fiscal Year
FDI	:	Foreign direct investment
HBL	:	Himalayan Bank Limited
$K_d$	:	Cost of debt
$K_e$	:	Cost of equity
$K_o$	:	Overall cost of capital
Ltd.	:	Limited
MBA	:	Master of Business Administration
MBS	:	Master in business Administration
MM	:	Modigliani and Merton Miler
MV	:	Market Value

MVPS	:	Market value per share
NBBL	:	Nepal Bangladesh Bank Limited
NEPSE	:	Nepal stock Exchange
NI	:	Net income
NOI	:	Net operating income
NRB	:	Nepal Rastra Bank
P/E	:	Price earning ratio
PE	:	Probable of Error
Prof.	:	Professor
Prop. <sup>n</sup>	:	Proportion
r	:	Correlation coefficient
r <sup>2</sup>	:	Multiplier Determination
ROA	:	Return on assets
ROE	:	Return on equity
ROSE	:	Return on shareholders equity
SBL	:	Siddhartha Bank Limited
SD	:	Standard deviation
US	:	United States of America
USD	:	United States Dollar
V <sub>o</sub>	:	Value of firm
WACC	:	Weighted average cost of capital