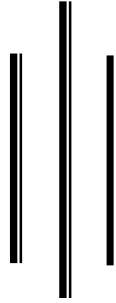


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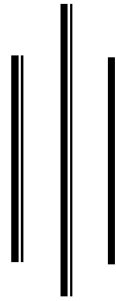


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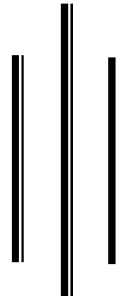
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In Partial Fulfillment of the Requirement of the Degree of
Master of Business Studies (MBS)

Chitwan, Nepal

June, 2010

RECOMMENDATION LETTER

This is to certify that the thesis

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"CAPITAL STRUCTURE OF MANUFACTURING COMPANIES IN NEPAL"

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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DECLARATION

I, hereby, declare that the work reported in this thesis entitled "**CAPITAL STRUCTURE OF MANUFACTURING COMPANIES IN NEPAL**" submitted to Office of the Dean, Faculty of Management, Tribhuvan University, is my original work done in the form of partial fulfillment of the requirement for the Degree of Master of Business Studies (M.B.S.) under the supervisor and guidance of Mr. Surendra Regmi, Lecturer, Shree Shaheed Smriti Multiple Campus, Ratnanagar, Chitwan.

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ACKNOWLEDGEMENT

Valuable outcomes are possible after a great challenge and efforts. I feel immense pleasure in completing the research work.

This study on "**CAPITAL STRUCTURE OF MANUFACTURING COMPANIES IN NEPAL**" has been prepared to fulfill the particular requirement of the MBS program. I am greatly thankful to the all authors and researcher who have contributed to the area of my research. I further hope that I have interpreted their view and expression properly

I would like to thanks to chairperson (Research Committee) Mr. Surendra Regmi, who is my thesis supervisor, guides me to complete this research work sharing his valuable idea, time, and effort. This study was impossible without his supervision.

I am also grateful to Lecture Mr. Khimanand Aryal, Chairperson (Campus Management Committee) Mr. Rajendra Shrestha, and Campus Chief Mr. Krishana Prasad Subedi, Lectures Mrs. Radha Balika, Mr. Gokarana Malla, Deepak Chand Ghimire, Bodhnath Gajurel, Ramesh Sharma. Whose valuable suggestion and co -operation added strength to write this thesis. Thanks also go to chairperson of Nepal Lube Oil Ltd., Dabur Nepal Pvt. Ltd. & Unilever Nepal Ltd. who provides formal and informal information and data of the company.

Finally, I express my sincere gratitude to my father Hera Kumar Pyacha Prajapati, mother Chandramaya Prajapati who help me in developing my career, my sister Shanti & Manju, my brother Prajwal for supporting for this job, my friend Hari prasad Sharma (Subedi), Umakanta Tripathi, Manish Karna, Kamal Paudel, Thakur Lamichhane, Narayan Ghimire, Shristi Shrestha, Muna Chauhan, Rabina Ghimire, Sandesh Chaudhary, Bishanu Chaudhary, Rajkumar Gurung and all the staffs of Department of Management, Library Department of Shaheed Smriti Campus for their kind co-operation in completing this research.

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Ujwal Prajapati

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ABBREVIATIONS

B.S.	Bikram Sambat
C.V.	Coefficient of Variation
C/E Ratio	Capital Employed Ratio
D/E Ratio	Debt Equity Ratio
DCL	Degree of Combined Leverage
DFL	Degree of Financial Leverage
DNPL	Dabur Nepal Private Limited
DOL	Degree of Operating Leverage
DPS	Dividend per Share
EAT	Earning After Tax
EBIT	Earning Before Interest and Tax
EBT	Earning Before Tax
EPS	Earning per Share
FY	Fiscal Year
GDP	Gross Domestic Production
I	Interest
I/C Ratio	Interest Coverage Ratio
Kd	Cost of Debt
Ke	Cost of Equity
Ko	Overall Cost of Capital
Ltd	Limited
LTD	Long-term Debt
MM	Modigliani – Miller
MPS	Market Price per Share
NEPSE	Nepal Stock Exchange
NI	Net Income
NIA	Net Income Approach

NLOL	Nepal Lube Oil Limited.
NOI	Net Operating Income Approach
NP	Net Profit
NPAT	Net Profit after Tax
P/E Ratio	Price Earning Ratio
r	Correlation Coefficient
ROA	Return on Assets
ROE	Return on Equity
ROIC	Return on Invested Capital
ROSHE	Return on Shareholders' Equity
Rs	Rupees
S.D.	Standard Deviation
T	Tax
TA	Total Assets
TD	Total Debt
UNL	Unilever Nepal Limited
V	Total Market Value of the Firm