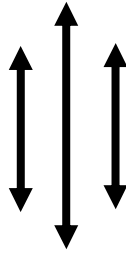
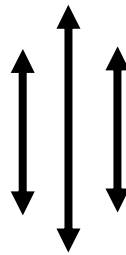


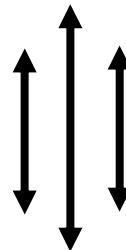
A CASE STUDY OF RISK AND RETURN ANALYSIS ON COMMON STOCK OF COMMERCIAL BANKS IN NEPAL



A Thesis Submitted to:
Office of the Dean
Faculty of Management
Tribhuvan University



By:
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Exam Roll No. : 738/065 (Final Year)



In partial fulfillment of the requirement for the Degree of
Master of Business Studies (M.B.S.)
Chitwan, Nepal
March, 2011

RECOMMENDATION LETTER

This is to certify that the thesis:

Submitted by

KAMAL PRASAD SHARMA

Entitled

**A CASE STUDY OF RISK AND RETURN ANALYSIS ON COMMON
STOCK OF COMMERCIAL BANKS IN NEPAL**

Has been prepared as approved by this Campus/Department in the prescribed
format of Faculty of Management. This thesis is forwarded for examination.

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VIVA – VOCE SHEET

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And found the thesis to be 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's Degree in Business Studies (M.B.S.)

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DECLARATION

I hereby declare that the work reported in this thesis entitled “**A Case Study of Risk and Return Analysis on Common Stock of Commercial Banks in Nepal**” submitted to Shree Shaheed Smriti Multiple Campus, Faculty of Management, Tribhuvan University is my original work done in the form of partial fulfillment of the requirement for the Master of Business Studies (M.B.S.) under the guidance and supervision of **Mr. Shree Khimananda Aryal (Subash Aryal)** Shree Shaheed Smriti Multiple Campus, Ratananagar, Chitwan.

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This thesis entitled **A CASE STUDY OF RISK AND RETURN ANALYSIS ON COMMON STOCK OF COMMERCIAL BANKS IN NEPAL** is prepared for partial fulfilment of the requirement for the master's degree in Business Studies under the faculty of Management of the Shree Shaheed Smritee Multiple Campus Ratnanagar, Chitwan.

This thesis mainly focuses for the risk and return analysis on common stock of commercial banks in Nepal using the latest five years data (i.e. FY 2003/04 to 2008/09). This thesis analyzes the risk return of five joint venture commercial banks, correlation between the return and trend of return of concern banks. Every energetic investor should know about the various aspects of risk return of concern asserts which can help him/her to estimate the future return along with risk. This thesis put forth a small attempt about this.

This study reported here is not only due to the effort of the researcher but also the result of synergetic effort of various resource persons. Thus first of all, I wish to express my deep sense of gratitude to Mr. Khimananda Aryal, thesis supervisor, for his encouragement and providing enough ideas to complete this thesis. Similarly I like to express thanks for providing valuable suggestion and administrative support to Campus Chief Mr. Krishna Subedi, MBS Programme Co-ordinator Mr. Surendra Regmi and other my respected Lecturers.

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ABBREVIATION

CAPM	- Capital Assets Pricing Model
CV	- Coefficient of Variance
DPS	- Dividend Per Share
e. g.	- for example
EBL	- Everest Bank Limited
FY	- Fiscal Year
HBL	- Himalayan Bank Limited
i. e.	- that is
IRR	- Internal Rate of Return
MPS	- Market Price Per Share
NABIL	- Nepal Arab Bank Limited
NABIL	- Nabil Bank Limited
NB	- Nepal Bank Limited
NEPSE	- Nepal Stock Exchange
NIBL	- Nepal Investment Bank Limited
Rs.	- Rupees (Nepalese Currency)
S.D.	- Standard Deviation
SCBNL	- Standard Chartered Bank Nepal Limited
T.U.	- Tribhuvan University