

# Practice of Capital Budgeting in Manufacturing Organization of Narayani

By

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## DECLARATION

I hereby declare that the work reported in this thesis entitled “**Practice of Capital Budgeting in Manufacturing Organization of Narayani**” submitted to the office of dean, central department of management is my original work done in the form of partial fulfillment of the requirement of master’s degree in business studies under the supervision of lecturer Mr. Khimananda Aryal member, department of management, Shree Shaheed Smriti Multiple Campus, Ratnanagar, Chitwan.

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This is the age of globalization and the business world is going to be tough day by day. To win the business the firms must manage its' resources as much as possible. Planning is must in every part of business. So capital budgeting also plays vital role in success of organization. As a manufacturing organization it has another importance to manage funds.

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# TABLE OF CONTENTS

Table of contents	
Recommendation	
Viva voice sheet	
Acknowledgement	
Abbreviation	

## **Chapter 1 Introduction**

1.1	Background of the study	1
1.2	Significance of the capital budgeting	2
1.3	Difficulties in capital budgeting decision	4
1.4	Capital budgeting decision process	5
1.5	Guideline for capital budgeting	7
1.6	Statement of the problem	9
1.7	Objective of the study	11
1.8	Research methodology	11
1.9	Limitation of the study	12
1.10	Scheme of the study	13

## **Chapter II Review of literature**

2.1	Conceptual frameworks	15
2.1.1	Concept of fixed investment decision	17
2.1.2	Fixed investment classification	19
2.1.3	Reasons of fixed investment	21
2.1.4	Factors influencing fixed investment decision	24
2.1.5	Evaluation process of the fixed investment	29
2.1.6	Cashflow Consideration	32
2.1.6.1	NDCF method	33

2.1.6.2 DCF method	38
2.1.7 Financing fixed investment	46
2.2 Review of empirical studies	53
2.2.1 Global capital budgeting practice	53
2.2.2 Capital budgeting practice of Nepalese Researchers	55

### **Chapter III Research Methodology**

3.1 Introduction	57
3.2 Research design	58
3.3 Source of data	59
3.4 Population and sample	59
3.5 Method of data collection	60
3.6 Method of data analysis	61

### **Chapter IV Presentation and analysis of data**

4.1 Clarification about the concept of capital budgeting	62
4.2 Knowledge about the capital budgeting technique	63
4.3 Knowledge about the evaluation technique or method	63
4.4 Application of capital budgeting technique	64
4.5 Preference of capital budgeting technique	65
4.6 Reasons for preferring particular technique	67
4.7 Period of advance planning	68
4.8 Difficulties in capital expenditure decision	69
4.9 Method of forecasting future cash flow	71
4.10 Studying the past result	72
4.11 Reasons lead to take capital expenditure decision	73
4.12 Sources of financing capital expenditure	74
4.13 Types of capital expenditure undertaken	75
4.14 Adoption of depreciation method	76
4.15 Preference of cash flow	77
4.16 Awareness of safety of the employee	78

4.17	Project abandonment policy	79
4.18	Procedure adoption for determination of cut off rate	79
4.19	Method adoption for determination of cost of equity capital	80
4.20	Financial objective of the firm	81

### **Chapter V summary, conclusion and recommendation**

5.1	Summaries	83
5.2	Conclusion	87
5.3	Suggestion & Recommendation	91

### **Bibliography**

### **Appendix**

## **List of the Table**

<b>Table No.</b>	<b>Figure</b>	
		<b>Page.</b>
4.1.1	Clarification about the concept of capital budgeting	62
4.2.1	Knowledge about the capital budgeting technique	63
4.3.1	Knowledge about the evaluation technique or method	64
4.4.1	Application of capital budgeting technique	65
4.5.1	Preference of capital budgeting technique	66
4.6.1	Reasons for preferring particular technique	67
4.7.1	Advance planning period	69
4.8.1	Difficulties in capital expenditure decision	70
4.9.1	Method of forecasting future cash flow	71
4.10.1	Response of the past result	72
4.11.1	Reasons lead to take capital expenditure decision	73
4.12.1	Sources of financing capital expenditure	74
4.13.1	Types of capital expenditure undertaken	75
4.14.1	Adoption of depreciation method	76
4.15.1	Preference of cash flow	77
4.16.1	Awareness of safety of the employee	78
4.17 .1	Project abandonment policy	79
4.18.1	Procedure adoption for determination of cut off rate	80



4.19.1	Method adoption for determination of cost of equity capital	81
4.20.1	Financial objective of the firm	82

## **ABBREVIATION**

SSMC =	Shaheed Smriti Multiple Campus
ARR =	Average Rate of Return
CB =	Capital Budgeting
Co. =	Company
I.e. =	That Is
NPV =	Net Present Value
PVP =	Payback Period
ROI =	Return on Investment
DCF =	Discounted Cash Flow
IRR =	Internal Rate of Return
PI =	Profitability Index
FID =	Fixed Investment Decision
CFAT =	Cash Flow After Tax
EPS =	Earning Per Share
R&D =	Research and Development
SN =	Serial Number
TPV =	Total Present Value
CAD =	Current Assets Decision
Pvt. Ltd. =	Private Limited
Rs =	Rupees
PA =	Per Annum
Mfg. =	Manufacturing
MEC =	Marginal Efficiency of Capital
BOD =	Board of Director
WACC =	Weight Average Cost of Capital
USA =	United States of America
UK =	United Kingdom
FID =	Fixed Investment Decision
EBIT =	Earning Before Interest and Tax

NCO = Net Cash Outlay  
HR = Higher Rate  
LR = Lower Rate  
M.B.S = Master of Business Studies