INVESTMENT POLICY OF NEPALESE COMMERCIAL BANKS

(A Study of Selected Nepalese Listed Commercial Banks)

SUBMITTED BY SANJAY SHRESTHA

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A Thesis Submitted to:
Office of the Dean
Faculty of Management
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In partial fulfillment of the requirement for the Degree of Master of Business Studies (MBS)

> Birgunj, Nepal June, 2011

RECOMMENDATION

This is to certify that the Thesis

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INVESTMENT POLICY OF NEPALESE COMMERCIAL BANKS

(A Study of Selected Nepalese Listed Commercial Banks)

has been prepared as approved by this Department in the prescribed format of the 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 "Investment Policy of

Nepalese Commercial Banks (A Study of Selected Nepalese Listed Commercial

Banks)" 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

Master's Degree in Business Study (M.B.S.) under the supervision of Dr. Alok Dutta,

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Abbreviations

A.D : Anno Domini A/C : Account

AGM : Annual General Meeting ATM : Automatic Teller Machine

B.S. : Bikram Sambat

CAPM : Capital Assets Pricing Model

CBs : Commercial Banks
CDs : Certificate of Deposits

Co. : Company

CRR : Cash Reserve Ratio
CV : Coefficient of Variation
EBL : Everest Bank Limited

FY : Fiscal Year

GDP : Gross Domestic Product

Govt. : Government

HBL : Himalayan Bank LimitedHMG : His Majesty's Government

i.e. : That is

IFIC : International Finance Investment & Commercial Bank

IMF : International Monetary Fund

JVBs : Joint Venture Banks LC : Letter of Credit

Ltd. : Limited Mkt. : Market

MSCI : Morgan Stanley Capital International

NEPSE : Nepal Stock Exchange

NIBL : Nepal Investment Bank Limited

NPAT : Net Profit After Tax NRB : Nepal Rastra Bank

NYSE : New York Stock Exchange OLS : Ordinary Least Squares

P : Page

P & D : Purchase & Discount

PV : Present Value

PVt : Private

R & R : Risk & Return

RBB : Rastriya Banijya Bank RWA : Risk Weighted Assets

SCBL : Standard Chartered Bank Limited

SEBO : Securities Board TBs : Treasury Bills

TOI : Total outside Investment TU : Tribhuvan University

US : United States