

**CAPITAL STRUCTURE & PROFITABILITY MANAGEMENT  
OF NEPALESE COMMERCIAL BANKS**

**(With Reference to Everest Bank, Kumari Bank and Nepal SBI Bank)**

*A Thesis*

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*Submitted To:*

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**Tribhuvan University**

*in partial fulfillment of the requirements for the degree of  
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# RECOMMENDATION

This is to certify that the Thesis

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**Amrita Adhikari**

*Entitled:*

**CAPITAL STRUCTURE & PROFITABILITY MANAGEMENT  
OF NEPALESE COMMERCIAL BANKS**

**(With Reference to Everest Bank, Kumari Bank and SBI Bank)**

*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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# VIVA-VOCE SHEET

*We have conducted the viva-voce examination of the thesis*

*Submitted by:*

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**CAPITAL STRUCTURE & PROFITABILITY MANAGEMENT  
OF NEPALESE COMMERCIAL BANKS**

**(With Reference to Everest Bank, Kumari Bank and SBI Bank)**

*and found the thesis to be the original work of the student and written according to the prescribed format. We recommend the thesis to be accepted as partial fulfillment of the requirements for*

**Master's Degree in Business Studies (M.B.S.)**

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**Head, Research Department** : .....

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## **DECLARATION**

I, hereby, declare that the work reported in this thesis entitled “Capital Structure and Profitability Management of Nepalese Commercial Banks (With Reference to Everest Bank, Kumari Bank and SBI Bank’’ submitted to Hari Khetan Multiple Campus, Faculty of Management, Tribhuvan University, is my original work done in the form of partial fulfillment for the Master’s Degree in Business Studies (M.B.S.) under the Supervision of Ram Babu Pd Chaurasiya, Hari Khetan Multiple Campus.

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Needless to say 'to err is human' and I cannot to the expectation. For any remaining error in the calculation and the description reported in this dissertation are, of course, entirely my responsibilities. I hope the possible errors would be covered by the subsequent studies in this field in this future.

**Amrita Adhikari**

Researcher

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## ABBREVIATIONS

$\Sigma$	Summation
C.V	Coefficient of Variation
D/E	Debt to Equity Ratio
DFL	Degree of Finance Leverage
DPS	Dividend per Share
EAT	Earning After Tax
EBIT	Earning Before Interest and Tax
EBL	Everest Bank Ltd
EBT	Earning Before Tax
EPS	Earning Per Share
FY	Fiscal Year
I/C	Interest Coverage
KBL	Kumari Bank Ltd
$K_d$	Cost of debt
$K_e$	Equity Capitalization Rate
$K_o$	Overall Capitalization Rate
$K_s$	Cost of Equity
Ltd	Limited
LTD	Long Term Debt
MM	Modigliani-Miller
NI	Net Income

P.E	Probability Error
ROA	Return on Assets
ROSHE	Return on Shareholder's Equity
S,D	Standard Deviation
SBI	Nepal State Bank of India
SHE	Shares holders Equity
TD	Total Debt
VL	Value of Levered firm
V <sub>u</sub>	Value of an unleveled firm
WACC	Weighted Average Cost of Capital