

**PERCEPTION OF INVESTORS TOWARDS INITIAL PUBLIC  
OFFERING (IPO) IN NEPAL**

**A Thesis**

**By**

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## **RECOMMENDATION LETTER**

It is certified that thesis entitled **Perception of investors towards initial public offering (IPO) in Nepal** submitted by Prem Raj Bhatta is an original piece of research work carried out the candidate under my supervision. Literary presentation is satisfactory and the thesis is in a form suitable for publication. Work evinces the capacity of the candidate for critical examination and independent judgement. Candidate has put in at least 60 days after registration the proposal. The thesis is forwarded for examination.

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## CERTIFICATION OF AUTHORSHIP

I certify that the work in this thesis entitled “**Perception of Investors towards Initial Public Offering (IPO) in Nepal**” has not previously been submitted for a degree nor has it been submitted as part of requirements for a degree except as fully acknowledged within the text.

I also certify that the thesis has been written by me. Any help that I have received in my research work and the preparation of the thesis itself has been acknowledged. In addition, I certify that all information sources and literature used are indicated in the reference section of the thesis.

(.....)

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## APPROVAL-SHEET

We, the undersigned, have examined the thesis entitled **Perception of investors towards initial public offering (IPO) in Nepal** presented by Prem Raj Bhatta, a candidate for the degree of Master of Business Studies (MBS) and conducted the viva voce examination of the candidate. We hereby certify that the thesis is worthy of acceptance.

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## ABSTRACTS

Investment in stock market helps to mobilize which in turns helps in development of the economy. Investment in shares will be started from primary market through the purchase of Initial Public Offering and further will be traded in secondary market. The investor can buy and sell the existing shares at the market price in the Nepal Stock Exchange. In Nepal, billions of capitals is raised every year through IPO. Nepalese investor seems to be highly attracted towards the IPO market. This research entitled perception of investors towards initial public offering (IPO) in Nepal. The main purpose of the study is to examine perception of investor towards IPO, to analyze the relationship between different factors (Quality management, Company Goodwill, Company performance, Company sector and Market information) and investment decision and to examine the impact of such factors on investment decision in IPO.

The research is primarily based on primary data. Data was collected from 145 respondents who were connected at five different brokerage firm at Kathmandu district. The descriptive and inferential analysis was preferred in SPSS by using statistical tools such as mean and standard deviation. Similarly, correlation and regression analysis were also used to analyze the relationship between variables and impact of different factors on investment decision (dependent variable).

The study revealed that Quality management, Company goodwill, Company performance, Company sector and Market information are the highly considerable factors before making investment decision in IPO. From the study it is found that the value of  $R^2$  is 0.698 which means that 69.8 % variation in investment decision is explained by the independent variables. However, the remaining 30.2 % is still unexplained in this research. Furthermore, it explained that there was positive correlation between the factors considering investment decision at 1% level of significance. Finally, investor should aware about all the factors before making investing decision.

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## ABBREVIATIONS/ACRONYMS

A	:	Awareness
ANOVA	:	Analysis of Variance
BSC	:	Bombay Stock Exchange
BFI	:	Bank and Financial Institution
BO	:	Beneficiary owner
BOID	:	Beneficiary owner Identity Number
CFA	:	Chronbach alpha
CG	:	Company Goodwill
CP	:	Company Performance
CS	:	Company Sector
CSE	:	Colombo Stock Exchange
DP	:	Depository Participants
DEMAT	:	Dematerialization
FPO	:	Further Public Offering
ID	:	Investment Decision
IPO	:	Initial Public Offering
IT	:	Information Technology
MI	:	Market Information
NEPSE	:	Nepal Stock Exchange
NRB	:	Nepal Rastra Bank
NSE	:	Nairobi Stock Exchange
P	:	Perception
SEC	:	Security Exchange center
SEBON	:	Securities Board of Nepal
SLC	:	School Living Certificate
SPSS	:	Statistical Package for the Social Science