

**A STUDY ON THE DETERMINANTS OF  
INFLATION IN NEPAL (1975–2016)**

**A Thesis**

**Submitted to**

**Central Department of Economics**

**Faculty of Humanities and Social Sciences**

**Tribhuvan University, Kirtipur, Kathmandu, Nepal**

**in Partial Fulfillment of Requirement for the Degree of**

**MASTER OF ARTS**

**in**

**ECONOMICS**

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**April 2018**

## LETTER OF RECOMMENDATION

This thesis entitled **A Study on the Determinants of Inflation in Nepal (1975–2016)** has been prepared by **Mr. Rudra Gautam** under my supervision. I hereby recommend this thesis for final examination by the Thesis Committee as a partial fulfilment of the requirements for the Degree of MASTER OF ARTS in ECONOMICS.

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## **APPROVAL LETTER**

We certify that this thesis entitled "**A STUDY ON THE DETERMINANTS OF INFLATION IN NEPAL (1975–2016)**" submitted by Mr. Rudra Gautam to the Central Department of Economics, Faculty of Humanities and Social Sciences in partial fulfilment of the requirements of the Degree of Master of Arts in Economics have found satisfactory in scope and quality. Therefore, we accept this thesis as a part of the Degree.

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## **ACKNOWLEDGEMENTS**

This thesis entitled "**A STUDY ON THE DETERMINANTS OF INFLATION IN NEPAL (1975–2016)**" has been prepared for partial fulfilment of the requirements for the Degree of Master of Arts in Economics. During the research and study period many hands directly and indirectly help materialize to achieve the desired objective.

I would like to express my sincere gratitude to my supervisor Khagendra Katuwal, Assistant Professor of Central Department of Economics (CEDECON), TU Kirtipur, for his valuable suggestions, inspirations and support provide me a right path to achieve the assigned undertaking. It would not have been possible for me to complete my study without his supervision, advice and direction.

I would like to thank head of the Department Prof. Dr. Kushum Shakya for her co-operation, suggestion and information. Similarly, I express my great thanks to all my teachers from Central Department of Economics for their teachings, suggestions, guidance, and care to me during my study economics.

Finally, I would like thanks to all my friends and family members for their strong help and support during my study.

Rudra Gautam  
April 2018

## TABLE OF CONTENTS

	<b>Page No.</b>
LETTER OF RECOMMENDATION	i
APPROVAL LETTER	ii
ACKNOWLEDGEMENTS	iii
TABLE OF CONTENTS	iv
LIST OF TABLES	vi
LIST OF FIGURES	vii
ABBREVIATIONS	viii
<b>CHAPTER I: INTRODUCTION</b>	<b>1-8</b>
1.1. Background of the Study	1
1.2. Statement of the Problem	4
1.3. Objectives of the Study	7
1.4. Significance of the Study	7
1.5. Limitations of the Study	8
1.6. Organization of the Study	8
<b>CHAPTER II: REVIEW OF LITERATURE</b>	<b>9-25</b>
2.1. Theoretical Review	9
2.1.1 Classical and Neoclassical Theories	9
2.1.2 Keynesian Theory	11
2.1.3 Monetarist Theory	12
2.1.4 Cost-Push Inflation	12
2.1.5 Rational Expectation Theory	13
2.1.6 New Political Economy Theory	14
2.1.7 Structural Theory	14
2.2. Empirical Review	15
2.2.1 International Context	15
2.2.2 National Context	22
2.3 Research Gap	25

<b>CHAPTER III: RESEARCH METHODOLOGY</b>	<b>26-32</b>
3.1 Conceptual Framework	26
3.2. Research Design	27
3.3. Nature and Sources of Data	27
3.4 Sample Period Covered	28
3.5 Methods of Data Analysis	28
3.6 Model Specification	28
3.7 Variable Specification	30
3.8 Estimation Method	31
3.9 Pre-Estimation Tests	31
<b>CHAPTER IV: DATA PRESENTATION AND ANALYSIS</b>	<b>33-47</b>
<b>CHAPTER V: SUMMARY CONCLUSIONS AND RECOMMENDATIONS</b>	<b>48-50</b>
5.1 Summary of the Findings	48
5.2 Conclusion	49
5.3 Recommendations	50
<b>REFERENCES</b>	<b>51-54</b>
<b>APPENDICES</b>	<b>55-69</b>

## LIST OF TABLES

<b>Table No.</b>	<b>Title</b>	<b>Page No.</b>
4.1.1	Separation of overall CPI in Percentage based on six years average	35
4.1.2	Separation of CPI into its major groups in percentage based on six years average	36
4.1.3	Separation of CPI into different regions in percentage based on six years average	39
4.2.1	Augmented Dickey-Fuller Tests for Unit Root	42
4.2.4	Granger Causality Test	45
4.2.5a	Heteroscedasticity Test: Breusch-Pagan-Godfrey	46
4.2.5b	Breusch-Godfrey Serial Correlation LM Test	47

## **LIST OF FIGURES**

<b>Figure No.</b>	<b>Title</b>	<b>Page No.</b>
3.1	A Framework for Inflation and Its Determinants	26
4.1.1	Trend and Pattern of Overall CPI Inflation (in percent)	34
4.1.2	Trend and Pattern of FBG and NFSG Inflation (in percent)	37
4.1.3	Trend and Pattern of Inflation in Different Regions	40
5.2.4	Normality of the Residuals	47



## **ABBREVIATIONS/ACRONYMS**

ADB	=	Asian Development Bank
ADF	=	Augmented Dickey Fuller
CBS	=	Central Bureau Statistics
CPI	=	Consumer Price Index
ECM	=	Error Correction Model
FBG	=	Food and Beverage Group
FY	=	Fiscal Year
GDP	=	Gross Domestic Product
HBS	=	Household Budget Survey
IMF	=	International Monetary Fund
IPI	=	Indian Price Index
IWPI	=	Indian Wholesale Price Index
MOF	=	Ministry of Finance
MS	=	Money Supply
NFSG	=	Nepal Rastra Bank
NRB	=	Noon-food and Service Group
OLS	=	Ordinary Least Square
RGDP	=	Real Gross Domestic Product
RMSE	=	Root Mean Squared Error
SAARC	=	South Asian Association Regional Corporation
SWRI	=	Salary and Wage Rate Index
USA	=	United States America
US	=	United States
UK	=	United Kingdom
VAR	=	Vector Autoregressive
VECM	=	Vector Error Correction Model