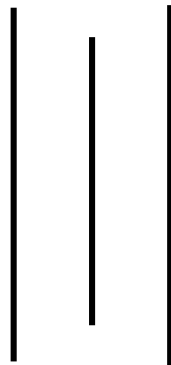


**DIVIDEND POLICY AND ITS EFFECT ON
THE MARKET PRICE OF STOCK**
(A Comparative Study of SCBNL, HBL & EBL)

By
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A Thesis Submitted to:
Office of the Dean
Faculty of Management
Tribhuvan University



***In partial fulfillment of the requirement for the degree of
Master of Business Studies (MBS)***

Kathmandu, Nepal
March 2011

RECOMMENDATION

This is to certify that the thesis

Submitted by:

SABINA SHRESTHA

Entitled:

DIVIDEND POLICY AND ITS EFFECT ON THE MARKET PRICE OF STOCK

(A Comparative Study of SCBNL, HBL & EBL)

*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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(A Comparative Study of SCBNL, HBL & EBL)**

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 requirement for the degree of

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DECLARATION

I hereby declare that the work reported in this thesis entitled “**Dividend Policy and Its Effect on the Market Price of Stock (A Comparative Study of SCBNL, HBL & EBL)**” 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 degree of Master of Business Studies (MBS) under the supervision of **Shashi Kanta Mainali** and **Rabindra Bhattarai** of Shanker Dev Campus, T.U.

.....
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This is really an appreciable curriculum of T.U. because it helps the students to express their theoretical concept gained during the study period into the practical field. So, being concerned to thesis, I have also got a chance to express my theoretical concept gained from class and library study into this practical field. The present study **“Dividend Policy and Its Effect on the Market Price of the Stock”** has been prepared for the partial fulfillment of the requirement for Master Degree in Business Studies.

At first, I would like to pay thanks to my father and mother as well as my brother who headed me towards the light of education and path of truth. Due to their non-stopping effort for guidance, today I come in this position. So I would like to share the credit of my success with them. I'm really indebted by them.

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Sabina Shrestha

Researcher

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Abbreviation

CDM	:	Central Department of Management
CV	:	Coefficient of Variation
DPR	:	Dividend Payout Ratio
DPS	:	Dividend per Share
DY	:	Dividend Yield
EPS	:	Earning per Share
SCBNL	:	Standard Chartered Bank Nepal Limited
EBL	:	Everest Bank Limited
HBL	:	Himalayan Bank Limited
HMG/N	:	His Majesty's Government of Nepal
MPS	:	Market Price per Share
MSE	:	Error Mean Sum of Square
MSR	:	Regression Mean Sum of Square
NEPSE	:	Nepal Stock Exchange
NIBL	:	Nepal Investment Bank Limited
p.	:	Page Number
pp.	:	From page no. ----- to page no. -----
SD	:	Standard Deviation
SSR	:	Regression Sum of Square
SST	:	Total Sum of Square
TU	:	Tribhuvan University
Vol.	:	Volume