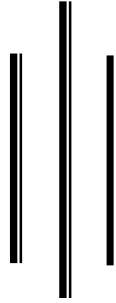
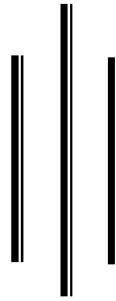


CAPITAL STRUCTURE OF MANUFACTURING COMPANIES IN NEPAL



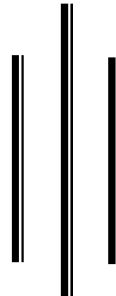
A Thesis Submitted to:

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In Partial Fulfillment of the Requirement of the Degree of
Master of Business Studies (MBS)
Chitwan, Nepal
April, 2012

RECOMMENDATION LETTER

This is to certify that the thesis

Submitted by

Sudip Babu Nepal

Entitled

"CAPITAL STRUCTURE OF MANUFACTURING COMPANIES IN NEPAL"

Has been prepared as approved by this Department in the prescribed format of Faculty of management. This thesis is in the form as required by the faculty of management, Tribhuvan University. It is forward for examination.

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Supervisor Head of Department Head, Research Committee Campus Chief

Date :

VIVA -VOCE SHEET

We have conducted the viva-voce examination of the thesis

Presented by
Sudip Babu Nepal

Entitled

"CAPITAL STRUCTURE OF MANUFACTURING COMPANIES IN NEPAL"

And found the thesis to be the original work of the student written according to the prescribed format. We recommend the thesis to be accepted as partial fulfillment of the requirement for Master's Degree in Business Studies (MBS)

VIVA -VOCE COMMITTEE

Chairperson, Research Committee
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Member (External Expert)

Date :

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.....

Sudip Babu Nepal

DECLARATION

I, hereby, declare that the work reported in this thesis entitled "**CAPITAL STRUCTURE OF MANUFACTURING COMPANIES IN NEPAL**" 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 (M.B.S.) under the supervisor and guidance of Mr. Khimanand Arayal Shaheed Smriti Multiple Campus, Ratnanagar, Chitwan.

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ABBREVIATIONS

B.S.	Bikram Sambat
C.V.	Coefficient of Variation
C/E Ratio	Capital Employed Ratio
D/E Ratio	Debt Equity Ratio
DCL	Degree of Combined Leverage
DFL	Degree of Financial Leverage
DNPL	Dabur Nepal Private Limited
DOL	Degree of Operating Leverage
DPS	Dividend per Share
EAT	Earning After Tax
EBIT	Earning Before Interest and Tax
EBT	Earning Before Tax
EPS	Earning per Share
FY	Fiscal Year
GDP	Gross Domestic Production
I	Interest
I/C Ratio	Interest Coverage Ratio
Kd	Cost of Debt
Ke	Cost of Equity
Ko	Overall Cost of Capital
Ltd	Limited
LTD	Long-term Debt
MM	Modigliani – Miller
MPS	Market Price per Share
NEPSE	Nepal Stock Exchange
NI	Net Income
NIA	Net Income Approach

NLOL	Nepal Lube Oil Limited.
NOI	Net Operating Income Approach
NP	Net Profit
NPAT	Net Profit after Tax
P/E Ratio	Price Earning Ratio
r	Correlation Coefficient
ROA	Return on Assets
ROE	Return on Equity
ROIC	Return on Invested Capital
ROSHE	Return on Shareholders' Equity
Rs	Rupees
S.D.	Standard Deviation
T	Tax
TA	Total Assets
TD	Total Debt
UNL	Unilever Nepal Limited
V	Total Market Value of the Firm