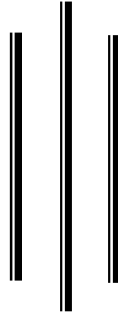


# **A study on Fund Collection and Mobilization of Joint Venture Banks**

**(With reference to NABIL and SCBNL)**



**A Thesis**

**Submitted By**

**Lila Bisunke**

**Campus Roll No: 09/064**

**Exam Roll No: 2780007/066**

**T.U Regd No: 7-2-259-21-2004**

**Pashupati Multiple Campus,  
Chabahil, Kathmandu, Nepal**

**Submitted to:**

**Office of the Dean**

**Faculty of Management, Tribhuvan University**

**Kirtipur**

**In Partial and Fulfillments of the Requirements for the  
Master Degree of Business Studies (MBS)**

**December, 2011**

# **Recommendation**

This is to certify that the thesis

Submitted by  
**Lila Bisunke**

Entitled

**A study on Fund Collection and Mobilization of  
Joint Venture Banks**  
(With reference to NABIL and SCBNL)

Has been Prepared as a approved by this department in the Prescribed format of  
Faculty of Management. This Thesis is forwarded for examination

.....  
**Dinesh Bantawa**  
(Thesis Supervisor)

.....  
**Gyan Mani Adhikari**  
(Head, Research Department)

.....  
**Bishnu Prashad Pant**  
(Campus Chief)

Date: .....

# VIVA – VOCE SHEET

We have conducted the Viva- Voce examination of the thesis

Presented by

**Lila Bisunke**

Entitled

**A study on Fund Collection and Mobilization of  
Joint Venture Banks**

**(With reference to NABIL and SCBNL)**

And found the thesis to 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 of Business studies (M.B.S.)

## Viva – Voice Committee

Head (Research Department): .....

Member (Thesis Supervisor):.....

Member (Thesis Supervisor) :.....

Member (External Expert):.....

Date:.....

## DECLARATION

I hereby declare that the work reported in this thesis entitled “**A study on Fund Collection and Mobilization of Joint Venture Banks(With reference to NABIL and SCBNL )**” 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 Master in Business Studies (M.B.S) under the supervision of Mr. Dinesh Bantawa Faculty of Management, Pashupati Multiple Campus, Chabahil.

.....

Lila Bisunke

Campus Roll No. **9/064**

Pashupati Multiple Campus,

T.U Reg. No: **7-2-259-21-2004**

Exam Roll: **2780007 / 066**

Date: .....

## **Acknowledgements**

First, I would like to thank Tribhuvan University for giving chance to prepare the thesis for Partial fulfillment of the requirement for the degree of M.B.S. Program held under Tribhuvan University. This study has been undertaken to analyze the A study on Fund Collection and Mobilization of Joint Venture Banks(With reference to NABIL and SCBNL) with a sole objective of the effectiveness of the selected joint venture banks in fund mobilization.

I would like to express my profound sense of gratitude to my respected supervisor Mr. Dinesh Bantawa faculty of management, Pashupati Multiple Campus, Chabahil for his continuous guidance, suggestion, encouragement and inspiration in every step of writing and undertaking overall supervision on my entire research work. And I would also like to extend my gratitude towards Mani Ratna Parajuli and L.B Basnet who helped me by providing their co- operation.

Any accomplishment entails the effort of many people and this is no different. On this regard, I express my sincere thanks to Mr Gyan mani Adhikari, Head of research department. And I would like to express thanks to staff of central library T.U, library of Nepal Commerce Campus and library of Shankar Dev Campus who helped me directly and indirectly in the course of review of literature. Additionally, I'm thankful to my colleagues Rajendra Shrestha and Roshan Babu Ghimire who helped me by providing their co-operation and assistance.

Lastly, I must express deepest appreciation to my family for their inspiration and support throughout my study. I would like to extend my thanks to those authors, publishers and researchers for providing their ideas and thoughts especially mentioned in the references.

Lila Bisunke  
Pashupati Multiple Campus  
Chabahil, Kathmandu, Nepal  
Campus Roll No: **09/064**  
T.U Regd No:**7-2-259-21-2004**  
Exam Roll: **2780007 / 066**

## Table of Contents

Cover page	
Declaration	
Acknowledgement	
Viva-Voice Sheet	
Table of Contents	
List of Tables	
List of Figures	
Abbreviations	
	<b>Page No</b>
<b>CHAPTER: I</b>	
<b>INTRODUCTION</b>	<b>1-11</b>
1.1 General Background of the Study	1
1.2 Profile of sample banks	5
1.2.1. Profile of Standard Chartered Bank Nepal Ltd.	5
1.2.2. Profile of NABIL Bank Limited:	6
1.3 Statement of the Problem	8
1.4 Objectives of the study	9
1.5 Significance of the Study	9
1.6 Limitations of the Study	10
1.7 Organization of the study	11
<b>CHAPTER: II</b>	
<b>LITERATURE REVIEW</b>	<b>12-52</b>
2.1 Conceptual Review	12
2.1.1 Historical Background of Bank	12
2.1.2 Concept of Commercial Bank	15
2.1.3 Joint Venture Banks in Nepal	17
2.1.4 Role of the Joint Venture Banks in Nepal	19
2.1.5 Fund Collection Techniques	20
2.1.5.1 Common Stock Financing	20
2.1.5.2 Debt Financing	23
2.1.5.3 Preferred Stock Financing	27
2.1.5.4 Current Accounts	29
2.1.5.5 Saving Accounts	29

2.1.5.6	Fixed Deposit Account	30
2.1.5.7	Miscellaneous Accounts	30
2.1.6	Mobilization of Funds	31
2.2	Review of concerned studies	36
2.2.1	Review of Journals / Articles, Research Papers and Previous Studies	38
2.2.2	Review of Thesis	41
2.3	Research Gap	52

**CHAPTER: III RESEARCH METHODOLOGY 53-66**

3.1	Introduction	53
3.2	Research Design	53
3.3	Population and Sample	54
3.4	Data Collection Procedures	55
3.5	Methods of Data Analysis	55
3.5.1	Financial Tools	55
3.5.2	Statistical Tools	64

**CHAPTER: IV PRESENTATION AND ANALYSIS OF DATA 67-102**

4.1	Liquidity Ratios	67
4.1.1	Cash and Bank balance to total deposit	67
4.1.2	Cash and Bank balance to current Deposit Ratio	68
4.2	Turnover Ratio	70
4.2.1	Credit and Advances to total Deposit Ratio	70
4.2.2	Credit and Advances to fixed Deposit Ratio	71
4.2.3	Credit and Advances to Total Assets Ratio	73
4.3	Leverage Ratio	74
4.3.1	Investment on Shares and Debentures to Total Working Fund Ratio	74
4.3.2	Total Investment to Total Deposit	76
4.3.3	Investment on Government Securities to total Working Fund Ratio	77
4.4	Profitability Ratio	78
4.4.1	Return on Credit and Advance	78

4.4.2	Return on Total Working Fund	80
4.4.3	Total Interest Earned to Total Working Fund	82
4.4.4	Total Interest Paid to Total Working Fund Ratio	83
4.5	Growth Ratio	84
4.5.1	Growth Ratio of Total Deposits	85
4.5.2	Growth Ratio of Total Investment	86
4.5.3	Growth Ratio of Loan and Advances	87
4.5.4	Growth Ratio of Net Profit	88
4.6	Analysis of Sources and Use of Fund	88
4.6.1	Analysis of source and Uses of Fund of SCBNL	89
4.6.2	Analysis of source and Uses of Fund of NABIL	91
4.6.3	Comparative Analysis of Source	93
4.6.4	Comparative Analysis of uses	94
4.7	Correlations Analysis	94
4.8	Trend Analysis	96
4.8.1	Trend Analysis of Total Investment to Total Deposits Ratio	96
4.8.2	Trend Analysis of Credit and Advance to Total Deposits Ratio of SCBNL & NABIL	97
4.9	Major Findings of the Study	99
<b>CHAPTER V: SUMMARY, CONCLUSION &amp; RECOMMENDATIONS</b>		<b>103-108</b>
5.1	Summary	103
5.2	Conclusion	103
5.3	Recommendations	105

## **BIBLIOGRAPHY**

## **APPENDICES**



**List of Tables****Page No**

Table No. 1.1	List of Commercial Banks in Nepal	3
Table No. 1.2	Share Holding Patterns of SCBNL	6
Table No. 1.3	Present Capital Structure of SCBNL	6
Table No. 1.4	Share Holding Patterns of NABIL	7
Table No. 1.5	Present Capital Structure of NABIL	7
Table No. 3.1	List of Joint venture banks in Nepal	54
Table No. 4.1	Comparative cash and bank balance to Total deposit	67
Table No. 4.2	Comparative cash and bank balance to current deposit ratio	69
Table No. 4.3	Comparative credit and advance to total deposit ratio	70
Table No. 4.4	Credit and Advances Fixed deposit Ratio	72
Table No. 4.5	Comparative credit and Advance to total assets ratio	73
Table No.4.6	Comparative Invt. on Shares and Debn. to Total Working Fund Ratio	75
Table no. 4.7	Comparative Total Investment to Total Deposit	76
Table no. 4.8	Comparative Investment on Government Securities to total Working Fund	78
Table No. 4.9	Comparative Return on Credit and Advance Ratio	79
Table No. 4.10	Comparative Return on Total Working Fund Ratio	81
Table No. 4.11	Comparative Total Interest Earned to Total Working Fund Ratio	82
Table No. 4.12	Comparative Total Interest Paid to Total Working Fund	83
Table No 4.13	Growth Ratio of Total Deposits	85
Table No 4.14	Growth Ratio of Total Investment	86
Table No. 4.15	Growth Ratio of Credit and Advances	87
Table No.4.17	Growth Ratio of Net Profit	88
Table No. 4.18	Percentage of Various Sources of Funds from Total Source of SCBNL	89
Table No. 4.19	Percentage of Various Uses of Funds from Total Source of SCBNL	90

Table No. 4.20 Percentage of Various Source of Funds from Total Source of NABIL	91
Table No. 4.21 Percentage of Various Uses of Funds from Total Source of NABIL	92
Table No. 4.22 Comparative Analysis of Source	93
Table No. 4.23 Comparative Analysis of Source	94
Total No. 4.24 Correlation Coefficient between Deposit and Total Investment	94
Total No. 4.25 Correlation Coefficient between Deposits and Credit and Advance	95
Table No. 4.26 Trend Analysis of Total Investment to Total Deposits Ratio Of SCBNL & NABIL (2005 to 2014)	96
Table No. 4.27 Trend Values of Total Credit and Advance to Total Deposit Ratio of SCBNL & NABIL (2005/06 to 2014/15)	98

**List of Figures****Page No.**

Figure No. 4.1 Comparative cash and bank balance to Total deposit	68
Figure No. 4.2 Comparative cash and bank balance to current deposit ratio	69
Figure No. 4.3 Comparative credit and advance to total deposit ratio	71
Figure No. 4.4 Credit and Advances to Fixed deposit	72
Figure No. 4.5 Comparative credit and Advance to total assets ratio	74
Figure No.4.6 Comparative Invt. on Shares and Debn. to Total Working Fund Ratio	75
Figure No 4.7 Comparative Total Investment to Total Deposit	77
Figure No. 4.8 Comparative Investment on Government Securities to Total Working Fund	78
Figure No. 4.9 Comparative Return on Credit and Advance Ratio	80
Figure No. 4.10 Comparative Return on Total Working Fund Ratio	81
Figure No. 4. 11 Comparative Total Interest Earned to Total Working Fund Ratio	82
Figure No. 4.12 Comparative Total Interest Paid to Total Working Fund	84
Figure No. 4.13 Growth ratio of total deposits	85
Figure No.4.14 Growth Ratio of Total Investment	86
Figure No. 4.15 Growth Ratio of Credit and Advances	87
Figure No. 4.17 Growth Ratio of Net Profit	88
Figure No. 4.18 Sources of Funds of SCBNL	89
Figure No.4.19 Use of Funds of SCBNL on Mean Ratio	90
Figure No. 4.20 Sources of Funds of NABIL	91
Figure No. 4.21 Sources of Funds of NABIL	92
Figure No. 4.22 Trend Values of Total Investment to Total Deposit Ratio of SCBNL & NABIL (2005/06 to 2014/15)	97
Figure No. 4.23 Trend Values of Total Credit & Advance to Total Deposit Ratio of SCBNL & NABIL(2005/06 to 2014/15)	99

## **ABBREVIATIONS**

NABIL	:	Nabil Bank
SCBNL	:	Standard Chartered Bank Nepal Limited
ATM	:	Automatic Teller Machine
B.S.	:	Bikram Sambat
CBs	:	Commercial Banks
EPS	:	Earning Per Share
FY	:	Fiscal Year
i.e	:	That is
JVBs	:	Joint Venture Banks
Ltd	:	Limited
Pvt.	:	Private
Govt.	:	Government
Inv.	:	Investment
Debn	:	Debenture
MBS	:	Master's of Business Studies
NEPSE	:	Nepal Stock Exchange
No.	:	Number
NRB	:	Nepal Rastra Bank
NA	:	Not Available
P.E	:	Probable Error
Rs.	:	Nepalese Rupee
SEC	:	Securities Exchange Commission
T.U	:	Tribhuvan University
Via	:	Verses
SD	:	Standard Deviation
$\bar{X}$	:	Mean
(SD)	:	Standard Deviation
C.V	:	Coefficient of Variation
R	:	Co-efficient of correlation
%	:	Percentage