A COMPARATIVE STUDY ON INVESTMENT POLICY OF COMMERCIAL BANKS IN NEPAL

(With reference to Bank of Kathmandu and Standard Chartered Bank Nepal Limited)

A Thesis

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Submitted to:

Office of the Dean Faculty of Management Tribhuvan University

In partial fulfillment of the requirements for the degree of Master in Business Studies [M.B.S.]

Birgunj, Parsa June, 2011

RECOMMENDATION

This is to certify that the Thesis

Submitted by
Shashi Bhushan Gupta

Entitled A COMPARATIVE STUDY ON INVESTMENT POLICY OF COMMERCIAL BANKS IN NEPAL

With reference to Bank of Kathmandu and Standard Chartered Bank Nepal Limited has been prepared as approved by this Department in the prescribed format of Faculty of Management. This thesis is forwarded for examination.

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VIVA-VOCE SHEET

We have conducted the viva-voce examination of the thesis presented by

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"A COMPARATIVE STUDY ON INVESTMENT POLICY OF COMMERCIAL BANKS IN NEPAL"

With reference to Bank of Kathmandu and Standard Chartered Bank Nepal Limited and found the thesis to be 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 Master in Business Studies (M.B.S.).

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DECLARATION

I hereby declare that the work reported in this thesis entitled "A Comparative Study on Investment Policy of Commercial Banks in Nepal with reference to Bank of Kathmandu and Standard Chartered Bank Nepal Limited" 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 in Business Studies (M.B.S.) under the supervision and guidance of my thesis supervisor Mr. Rambabu Prasad Chaurasiya,, Hari Khetan Multiple Campus, Tribhuvan University.

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ABBREVIATIONS

A/C - Account

ADB - Agricultural Development Bank

ATM - Automatic Teller Machine
BOKL - Bank of Kathmandu Limited

BS - Balance Sheet CA - Current Assets

CAMEL - Capital, Assets Quality, Management, Earnings, Liquidity

CV - Co-efficient of Variation

DPS - Dividend per share

EBIT - Earning Before Interest & Taxes

EPS - Earning per Share FY - Financial Year

HBL - Himalayan Bank LimitedICR - Interest Coverage RatioJVBS - Joint Venture Banks

LTD - Limited

NABIL - Nepal Arab Bank Limited
NB Bank - Nepal Bangladesh Bank
NBL - Nepal Bank Limited

NCC - Nepal Credit & Commerce NEPSE - Nepal Stock Exchange

NGBL - Nepal Grindlays Bank Limited

NPA Non-Performing Assets
NRB - Nepal Rastra Bank

P&L - Profit & Loss PER - Probable of Error

RBB - Rastriya Banijya Bank

ROA - Return on Assets
ROE - Return on Equity
SBI - State Bank of India

SCBNL - Standard Chartered Bank Nepal Limited

SD - Standard Deviation

SWIFT - Society for Worldwide Interbank Financial Telecommunication