

**A STUDY ON MANAGEMENT ACCOUNTING  
PRACTICES IN COMMERCIAL BANKS OF NEPAL**

**A THESIS**

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**Submitted to:**

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**In partial fullfillment of the requirement for the Degree Of Master  
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New Baneshwor , Kathamandu  
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## RECOMMENDATION

This is to certify that the thesis:

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### **A STUDY ON MANAGEMENT ACCOUNTING PRACTICES IN COMMERCIAL BANKS OF NEPAL**

has been prepared as approved by this Department in the prescribed format of  
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## **VIVA-VOCE SHEET**

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

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and found the thesis to be the original work of the student and written according to the prescribed format. We recommend this thesis to be accepted as partial fulfillment of the requirements for the Degree Of Master of Business Studies (M.B.S).

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## DECLARATION

I hereby declare that the work reported in this thesis entitled "**A STUDY ON MANAGEMENT ACCOUNTING PRACTICES IN COMMERCIAL BANKS OF NEPAL**" have submitted to the faculty of Management, Tribhuvan University is my original work .It is done in the form of partial fulfillment of the requirements for the Master's of Business Studies (M.B.S.) under the supervision and guidance of **Joginder Goet** and **Shankar Mishra**, Shanker Dev Campus, Putalisadak, Kathmandu.

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August, 2013

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This research studies “**Management Accounting Practices in Commercial Banks of Nepal**” is a partial fulfillment of the requirement. This research study “**Management Accounting Practices in Commercial Banks of Nepal**” is a partial fulfillment of the requirement for Master's Degree of Business Studies (MBS). This study has focused on the practice of modern management accounting tools and techniques in the Commercial Banks in Nepal. Though Management accounting is an emerging discipline of accounting in modern business age, whatever the accounting tools and techniques which have been developed are accepted as the inevitable managerial tools for effective and rational decision making. In this context, an attempt has been made in this thesis to give the clear picture on the present practice of management accounting tools and techniques in Commercial Banks in Nepal.

First of all I am fortunate to acknowledge Lecturer **Joginder Goet** and **Shankar Mishra**, whose supervision and valuable guidance as well as co-operation has provided me in completing this research work. Without their valuable suggestions and time I would not have been able to complete this study.

Last but not least, I am indebted to all those authors, whose books have consulted for preparing this thesis. I have also taken references from existing literatures I, sincerely, acknowledge the references used in completing this study.

Sanjay Kumar Mahato

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## ABBREVIATIONS

ABB	=	Activity Based Budgeting
ABC	=	Activity Based Costing
ARR	=	Average Rate of Return
ASB	=	Accounting Standard Board
BEP	=	Break Even Point
CB	=	Commercial Bank
CFAT	=	Cash Flow after Tax
CIMA	=	Chartered Institution of Management Accounting, London
CVP	=	Cost-Volume-Profit
DLH	=	Direct Labour Hour
EBL	=	Everest Bank Limited
FIFO	=	First In First Out
FY	=	Fiscal Year
GAAP	=	Generally Accepted Accountancy Principles
GDP	=	Gross Domestic Product
HBL	=	Himalayan Bank Limited
IRR	=	Internal Rate of Return
IFIC	=	International Finance Investment and Commerce Bank Limited
JVs	=	Joint Ventures
LIFO	=	Last In First Out
MA	=	Management Accounting
MIRR	=	Modified Internal Rate of Return
NABIL	=	Nepal Arab Bank Limited
NBBL	=	Nepal Bangladesh Bank Limited

NBL	=	Nepal Bank Limited
NGOs	=	Non-government organizations
NPV	=	Net Present Value
NRB	=	Nepal Rastra Bank
PBP	=	Payback Period
PI	=	Profitability Index
PSCB	=	Public Sector Commercial Bank
RBB	=	Rastriya Banijaya Bank
ROI	=	Return on Investment
SBI	=	State Bank of India
SCBL	=	Standard Chartered Bank Limited
WTO	=	World Trade Organization
ZBB	=	Zero Based Budgeting