

# **AN ANALYSIS OF RISK & RETURN OF COMMERCIAL BANKS OF NEPAL**

**A THESIS**

*Submitted by:*

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*Submitted to:*

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**Faculty of Management**

**Tribhuvan University**

**In partial fulfillment of the requirements for the Degree of**

**Master of Business Studies (M.B.S.)**

**New Horizon College, Butwal**

**March, 2014**

## **DECLARATION**

I hereby declare that the work reported in this thesis entitled **“AN ANALYSIS OF RISK & RETURN OF COMMERCIAL BANKS OF NEPAL”** submitted to New Horizon College, Faculty of Management, Tribhuvan University, is my original work done in the form of partial fulfillment of the requirements for the Master of Business Studies under the supervision of Mr. Rajendra Lamsal, of New Horizon College, T.U.

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Any accomplishment requires the effort of many people and this work is no different. First of all, I am very much grateful and would like to express my sincere thanks for the regular guidance and support of my respected supervisors Mr. Rajendra Lamsal. I am very glad in getting such an expert scholar in guiding a raw research student like me. I disturbed them many days during my thesis-writing period. Then, I would like to thank my entire family.

I am indebted to my friends Bishnu Thapa Magar, Kulraj Ghimire, Suresh Bhusal and Nira Thapa who have given me valuable ideas and support in conducting this research. I would also like to express my gratitude to all other members of New Horizon College, especially, staffs from MBS department, libraries staffs as well as all known and unknown people who supported as well as inspired me to complete this thesis. Besides, special thanks go to the employees of Nabil Bank, Himalayan Bank, Nepal SBI Bank and Everest Bank who helped to administer the questionnaire.

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# RECOMMENDATION

This is to certify that the thesis:

Submitted by

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Entitled

**“An Analysis of Risk & Return of Commercial Banks in Nepal”** 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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**“AN ANALYSIS OF RISK & RETURN OF COMMERCIAL BANKS OF 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 requirements for Master’s Degree in Business Studies (M.B.S.)

### Viva-Voce Committee

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3. ....
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Date: .....

## DECLARATION

I hereby declare that the work reported in this thesis entitled **“AN ANALYSIS OF RISK & RETURN OF COMMERCIAL BANKS OF NEPAL”** (With respect to Nabil Bank, Himalayan Bank, Nepal SBI Bank and Everest Bank) submitted to New Horizon College, Faculty of Management, Tribhuvan University, is my original work done in the form of partial fulfillment of the requirements for the Master of Business Studies under the supervision of Mr. Rajendra Lamsal, of New Horizon College, T.U.

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Guna Thapa  
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## ABBREVIATION

|       |   |                                    |
|-------|---|------------------------------------|
|       | - | Beta Coefficient                   |
| B.S.  | - | Bikram Sambat                      |
| CAPM  | - | Capital Asset Pricing Model        |
| DPS   | - | Dividend per share                 |
| EBL   | - | Everest Bank Limited               |
| F/Y   | - | Fiscal Year                        |
| MPS   | - | Market Price Per Share             |
| HBL   | - | Himalayan Bank Limited             |
| NABIL | - | Nabil Bank Limited                 |
| EBL   | - | Everest Bank Limited               |
| NSBI  | - | Nepal SBI Bank Ltd.                |
| NEPSE | - | Nepal Stock Exchange               |
| NPR   | - | Nepalese Rupee                     |
| NRB   | - | Nepal Rastra Bank                  |
| OTC   | - | Over the Counter                   |
| $R_f$ | - | Risk Free Rate                     |
| $R_j$ | - | Year end Market Return             |
| RP    | - | Risk Premium                       |
| SEBON | - | Securities Exchange Board of Nepal |
| T.U.  | - | Tribhuvan University               |