

# **Revenue Collection from Value Added Tax: An Analysis of its Problem and Prospects**

**A Thesis**

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**Submitted to:**

**Office of the Dean**

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**In Partial Fulfillment of the Requirement for the Degree of  
Master's of Business Studies (M.B.S.)**

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# RECOMMENDATION

This is to certify that the thesis:

Submitted by

**Prajuni Bajracharya**

Entitled

REVENUE COLLECTION FROM VALUE ADDED TAX:  
AN ANALYSIS OF ITS PROBLEM AND PROSPECTS

*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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**REVENUE COLLECTION FROM VALUE ADDED TAX:  
AN ANALYSIS OF ITS PROBLEM AND PROSPECTS**

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 of Business Studies (MBS)

### **VIVA-VOCE COMMITTEE**

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# DECLARATION

I hereby declare that the work reported in this thesis entitled " Revenue Collection from Value Added Tax: An Analysis of its Problems and Prospects" submitted to Office of Dean, Faculty of Management, Tribhuvan University is my original work done in the form of partial fulfillment of the requirement of Master's Degree in Business Studies (M.B.S.) under the guidance and supervision of Prof. Dr. Kamal Deep Dhakal of Shanker Dev Campus.

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# ACKNOWLEDGEMENTS

The present thesis "**Revenue collection from Value Added Tax: an analysis of its problems and prospects**" is Master's Degree thesis prepared to fulfill the partial requirements of the Master of Business Studies (MBS), Tribhuvan University, Nepal. The main objective of the study is to find out how much revenue collection from VAT, examine the contemporary Issues, present status and future prospects of VAT in Nepal. The study also explores the recommendations for effectiveness of VAT in Nepal.

To complete this work, I have got a lot of support and inspiration from family members, friends, colleagues, office staffs, relatives, and respondents. It makes me easier during the thesis writing. I am always indebted these supporter.

I would like to express my sincere thanks to my thesis supervisor Prof Dr. Kamal Deep Dhakal for his co-operation and valuable guidance during the whole period of thesis work.

Precautions have been made to avoid all forms of mistakes. But, I apologize for any unknown errors that I have made in this research work. Finally, my heart-felt thanks go to all my office staff, family members and relatives for their helps in many ways.

Thanks

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## **ABBREVIATION**

ASEAN	-	Association of South East Asian Nation
B.S.	-	Bikram Sambat
CD	-	Custom Department
CDM	-	Central Department of Management
DANIDA	-	Danish International Development Agency
DG	-	Director General
EC	-	European Country
FNCCI	-	Federation of Commerce and Industry
FNCCI	-	Federation of Nepal Chamber of Commerce and Industries
FY	-	Fiscal Year
GDI	-	Gross Domestic Income
GDP	-	Gross Domestic Product
GE	-	Government Expenditure
GON	-	Government of Nepal
GST	-	Gross Sales Tax
HIDD	-	Hardware Institute for International Development
HMG	-	His Majesty the Government
IMF	-	International Monetary Funds
IRD	-	Inland Revenue Department
IRO	-	Inland Revenue Officer
IT	-	International Trade
ITC	-	Input Tax Credit
MOD VAT	-	Modified Value Added Tax
MST	-	Manufacturing Level Sales Tax
NCC	-	Nepal Chamber of Commerce
NNP	-	Net National Product
NRB	-	Nepal Rastra Bank

OECD	- Organization for Economic Co-operation and Development
PAN	- Permanent Account Number
RID.	- Revenue Investigation Department
RST	- Retail Level Sales Tax
SAARC	- South Asian Association of Regional Co-operation
SMC	- Social Marginal Cost
TU	- Tribhuvan University
USA	- United State of America
USAID	- United State Agency for International Development
VAT	- Value Added Tax
VIZ	- Versus
WST	- Wholesales Level Sales Tax