

**Deposit Collection and Mobilization of  
Everest Co- operative Society Limited**

**(F.Y. 2060/061 to 2064/065)**

**By**

**Binod Raj Koirala**

**Prithvi Narayan Campus**

**T.U. Registration No. 7-1-048-1121-96**

***A Thesis Submitted to:***

**Office of the Dean**

**Faculty of Management**

**Tribhuvan University**

***In partial fulfillment of requirement of the degree of  
Master of Business Studies***

**Pokhara**

**July, 2009**

Faculty of Management

## RECOMMENDATION

This is to certify that the thesis:

Submitted by

Binod Raj Koirala

*Entitled*

Deposit Collection and Mobilization of Everest Co-operative Society Limited

*has been prepared as approved by this department in prescribed format of  
Faculty of Management. This thesis is forwarded for examination.*

Supervisor

Name: Mr. Surendra Bahadur Bharijoo

Signature:

Date:

Head of Department

Signature:

Campus Chief

Signature:

VIVA-VOCE SHEET

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

Binod Raj Koirala

Entitled

Deposit Collection and Mobilization of Everest Co-operative Society Limited

and found the thesis to be the original work of the student and 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

Chairperson, Research Committee: .....

Member (Thesis Supervisor): .....

Member (External Expert): .....

Member: .....

Date:

## **ACKNOWLEDGMENT**

This research work on "Deposit Collection and Mobilization of ESCL" has been prepared for the fulfillment of the requirement of the degree of Master of Business Studies.

I regard myself fortunate to have Dr. Mr. Puspa Raj Sharma head of the faculty of management and Mr. Surendra Bahadur Bharijoo, Associate Professor as my supervisor for this research work of the P.N. Campus. I'm indeed very much obliged and owe deep debt of gratitude for his incessant guidance for making this thesis possible.

I would like to express my sincere thanks to all the staffs of ESCL especially to Mr. Bhrat Raj Adhikari [Branch Manager] who led me access all the required material, made me enriched with information and made my research work successful. I really appreciate the librarians of P.N. Campus, Western Regional Library [T.U.] for their co-operation and excellent library support during my research.

I am very much grateful to Mr. Keshab Prasad Parajuli for language suggestion and thanks for The Creative Computer for typing and printing of this thesis.

Binod Raj Koirala

Date: July, 2009

# TABLE OF CONTENTS

|  | <b>Page</b>  |
|--|--------------|
| <b>Chapter I: Introduction</b>                             | <b>1-7</b>   |
| 1.1 General Backboard                                      | 1            |
| 1.2 Statement of the Problem                               | 4            |
| 1.3 Objective of the Study                                 | 5            |
| 1.4 Significant of the Study                               | 6            |
| 1.5 Limitation of the Study                                | 6            |
| 1.6 Organization of the Study                              | 7            |
| <br>   |              |
| <b>Chapter II: Review of Literature</b>                    | <b>8-37</b>  |
| 2.1 Conceptual Review                                      | 8            |
| 2.2 Theoretical Review                                     | 30           |
| <br>   |              |
| <b>Chapter III: Research Methodology</b>                   | <b>38-46</b> |
| 3.1 Introduction   | 38           |
| 3.2 Research Design  | 38           |
| 3.3 Population and Sample                                  | 39           |
| 3.4 Sources of Data  | 40           |
| 3.5 Date Collection Procedure                              | 40           |
| 3.6 Data Processing  | 41           |
| 3.7 Data Analysis Tools                                    | 41           |
| <br>   |              |
| <b>Chapter IV: Data Presentation and Analysis</b>          | <b>47-70</b> |
| 4.1 Data Presentation and Analysis                         | 47           |
| 4.2 Major Findings   | 69           |
| <br>   |              |
| <b>Chapter V: Summary, Conclusions and Recommendations</b> | <b>72-77</b> |
| 5.1 Summary  | 72           |
| 5.2 Conclusions  | 74           |
| 5.3 Recommendations  | 75           |
| <br>   |              |
| <b>Bibliography</b>  |              |
| <b>Appendix</b>  |              |

## LIST OF TABLE

| <b>Table</b>   | <b>Page</b> |
|--|-------------|
| <b>2.1 Major Events of Co-operative Movement in Nepal</b>                    | <b>18</b>   |
| <b>2.2 Interest Rate of Fixed Account</b>                                    | <b>27</b>   |
| <b>4.1 Deposit Composition of ESCL</b>                                       | <b>47</b>   |
| <b>4.2 Interest Expenses on Total Deposit to Total<br/>Operating Revenue</b> | <b>49</b>   |
| <b>4.3 Net Interest Income</b>   | <b>51</b>   |
| <b>4.4 Uses of Deposit</b>   | <b>53</b>   |
| <b>4.5 Composition of Loan and Advances</b>                                  | <b>55</b>   |
| <b>4.6 Liquid Funds of Total Deposit Ratio</b>                               | <b>57</b>   |
| <b>4.7 Cash at Vault to Total Deposit Ratio</b>                              | <b>59</b>   |
| <b>4.8 Loan and Advances to Total Deposit Ratio</b>                          | <b>61</b>   |
| <b>4.9 Return on Total Deposit</b>   | <b>63</b>   |
| <b>4.10 Return on Loan and Advance</b>                                       | <b>65</b>   |
| <b>4.11 Return on Total Assets</b>   | <b>66</b>   |
| <b>4.12 Interest Earned to Total Assets</b>                                  | <b>67</b>   |
| <b>4.13 Correlation between Deposit and Loan &amp; Advance</b>               | <b>69</b>   |

## LIST OF FIGURE

| Figure   | Page |
|--|------|
| 2.1 Organization Structure of Co-operative of Nepal                  | 23   |
| 4.1 Deposit Composition of ESCL                                      | 48   |
| 4.2 Interest Expenses on Total Deposit to Total<br>Operating Revenue | 50   |
| 4.3 Trend of Net Interest Income of ESCL                             | 52   |
| 4.4 Uses of Deposit of ESCL  | 55   |
| 4.5 Liquid Funds of Total Deposit Ratio                              | 58   |
| 4.6 Cash at Vault to Total Deposit Ratio                             | 59   |
| 4.7 Loan and Advances to Total Deposit Ratio                         | 62   |
| 4.8 Return on Total Deposit of ESCL                                  | 64   |
| 4.9 Return on Loan and Advance                                       | 65   |
| 4.10 Return on Total Assets  | 67   |
| 4.11 Interest Earned to Total Assets                                 | 68   |

## LIST OF ABBREVIATION

|                |          |  |
|----------------|----------|--|
| <b>ADB</b>     | <b>=</b> | <b>Agriculture Development Bank</b>                      |
| <b>BS</b>      | <b>=</b> | <b>Bikram Sambat</b>                                     |
| <b>CRR</b>     | <b>=</b> | <b>Cash Reserve Ratio</b>                                |
| <b>CU</b>      | <b>=</b> | <b>Credit Union</b>                                      |
| <b>CV</b>      | <b>=</b> | <b>Coefficient of Variance</b>                           |
| <b>ESCL</b>    | <b>=</b> | <b>Everest Societies Co-operative Limited</b>            |
| <b>FI's</b>    | <b>=</b> | <b>Financial Institutions</b>                            |
| <b>FY</b>      | <b>=</b> | <b>Fiscal Year</b>                                       |
| <b>HMG</b>     | <b>=</b> | <b>His Majesty Government</b>                            |
| <b>ICA</b>     | <b>=</b> | <b>International Cooperative Alliance</b>                |
| <b>ILO</b>     | <b>=</b> | <b>International Labour Organization</b>                 |
| <b>MFIS</b>    | <b>=</b> | <b>Micro Finance Institutions</b>                        |
| <b>NCDB</b>    | <b>=</b> | <b>Nepal Co-operative Development Board</b>              |
| <b>NEFSCUN</b> | <b>=</b> | <b>Nepal Federation of Saving and Co-operative Union</b> |
| <b>NIM</b>     | <b>=</b> | <b>Net Interest Margin</b>                               |
| <b>NRB</b>     | <b>=</b> | <b>Nepal Rastra Bank</b>                                 |
| <b>PE</b>      | <b>=</b> | <b>Probable Error</b>                                    |
| <b>PRCSL</b>   | <b>=</b> | <b>Pokhara Royal Co-operative Society Limited</b>        |
| <b>r</b>       | <b>=</b> | <b>Correlation</b>                                       |
| <b>SD</b>      | <b>=</b> | <b>Standard Deviation</b>                                |