

# **CAPITAL STRUCTURE AND PROFITABILITY**

(IN THE CONTEXT OF NEPALESE JOINT VENTURE BANKS)

## **Submitted by:**

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## **A Thesis Submitted to:**

Office of Dean

Faculty of Management

Tribhuvan University

*In partial fulfillment of the requirement  
for the **Degree of Master in Business Studies (M.B.S)***

*Lalitpur  
April, 2009*

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# RECOMMENDATION

This is to certify that the thesis

Submitted by  
**Pushpa Ratna Bajracharya**

Entitled

**CAPITAL STRUCTURE AND PROFITABILITY**  
(IN THE CONTEXT OF NEPALESE JOINT VENTURE BANKS)

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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**Mr. Yuga Raj Bhattarai**  
(Thesis Supervisor)

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(Campus Chief)

# VIVA-VOCE SHEET

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

**Pushpa Ratna Bajracharya**

Entitled

**CAPITAL STRUCTURE AND PROFITABILITY**  
(IN THE CONTEXT OF NEPALESE JOINT VENTURE BANKS)

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

**Head of Research Department** : .....

**Member (Thesis Supervisor)** : .....

**Member (External Expert)** : .....

## **DECLARATION**

I hereby declare that the work reported in this thesis entitled “Capital Structure and Profitability in the Context of Nepalese Joint Venture Banks” submitted to Patan Multiple Campus, Faculty of Management, Tribhuvan University is my original work done in the form of partial fulfillment of the requirement of the degree of Master in Business Studies (M.B.S) prepared under the supervision of Mr. Yuga Raj Bhattarai.

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Pushpa Ratna Bajracharya

Researcher

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Date: .....

## Acknowledgement

This thesis entitled “Capital Structure and Profitability in the Context of Nepalese Joint Venture Banks” has been prepared for partial fulfillment of the requirement of the degree of Master in Business Studies (M.B.S). It is very complicated to prepare this thesis being student of MBS. I could not prepare this thesis without taking help of many individuals. So, I would like to thank all of the individuals who help me to prepare this thesis.

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I am indebted to all the library members of central library T.U. who help me by providing required books and thesis for preparing my thesis.

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## **ABBREVIATIONS**

RBB	: Rastriya Banjiya Bank
NRB	: Nepal Rastra Bank
NABIL	: Nepal Arab Bank Limited
NIBL	: Nepal Investment Bank Limited
HBL	: Himalayan Bank Limited
JVBs	: Joint Venture Bank
HMG	: His Majestic Government
ATM	: Automatic Teller Machine
Govt.	: Government
Ltd.	: Limited
i.e	: that is
Rs.	: Rupees
NI	: Net Income
NOI	: Net Operating Income
MM Approach	: Modigliani- Miller Approach
Ke	: Cost of Equity
Kd	: Cost of Debt
Ko	: Overall capitalization Rate
ROA	: Return on Total Assets
ROE	: Return on Equity
EBIT	: Earning before Interest and Tax
EPS	: Earning Per Share
C.V.	: Co-efficient of Variations
S.D.	: Standard Deviation
R <sup>2</sup>	: Co-efficient of Determinants
FY	: Fiscal year