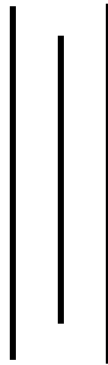


**DETERMINANTS OF STOCK PRICE IN NEPAL STOCK  
EXCHANGE WITH SPECIAL REFERENCE TO  
COMMERCIAL BANKS**

**By**  
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**A Thesis Submitted to:**  
**Office of the Dean**  
**Faculty of Management**  
**Tribhuvan University**



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

**Kathmandu, Nepal**  
**June, 2009**

## **RECOMMENDATION**

This is to certify that the Thesis

Submitted by:

**SANJU POKHAREL**

**Entitled:**

**DETERMINANTS OF STOCK PRICE IN NEPAL STOCK  
EXCHANGE WITH SPECIAL REFERENCE TO  
COMMERCIAL BANKS**

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

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## **VIVA-VOCE SHEET**

We have conducted the viva –voce of the thesis presented

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EXCHANGE WITH SPECIAL REFERENCE TO  
COMMERCIAL 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 requirement for the Degree of Master's in Business Studies (M.B.S)*

### **Viva-Voce Committee**

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Member (Thesis Supervisor) .....

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**Faculty of Management**

**Shanker Dev Campus**

## **DECLARATION**

I hereby declare that the work reported in this thesis entitled “**DETERMINANTS OF STOCK PRICE IN NEPAL STOCK EXCHANGE WITH SPECIAL REFERENCE TO COMMERCIAL BANKS**” submitted to Office of the Dean, Faculty of Management, Tribhuvan University, is my original work done in the form of partial fulfillment of the requirement for the Degree of Master’s in Business Studies (M.B.S) under the supervision of **Snehlata Kafle**, Reader of Shanker Dev Campus.

.....

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Campus Roll No. : 1109/2061

## ACKNOWLEDGEMENT

**Capital market development process is in very primitive stage in Nepal. Over the years, I have noticed that the stock investors face great difficulty for trading stocks due to lack of knowledge on stock pricing determinants and mechanism. I have attempted to fill that gap with this thesis. It is however, only a modest attempt. This thesis is prepared for the Masters of Business Studies Program undertaken by Tribhuvan University.**

Throughout my study period, I received generous support and thoughtful advices from my thesis supervisor Snehlata Kafle, reader of Shanker Dev Campus. I am profoundly grateful for her intellectual suggestions and encouragements.

Many of my friends, colleagues and relatives encouraged me to undertake this venture. In course of preparing this research I got an opportunity to discuss and debate with them. I have been benefited from such a dialogues and especially acknowledge the help of Mr. Yukesh Chapagain, Mr. Pritam Rajbanshi, Mr. Jyoti Luteil, and Mr. Nutan Dev Pokharel. I would like to express my sincere thanks to the respondents of the questionnaire, SEBO/N, NEPSE, Shanker Dev Campus Library, and TU Central Library families for their kind cooperation.

Last, but not the least, I would like to express my heartiest thanks to my family members and Miss Sharmila Parajuli for her computer work.

*Sanju Pokharel*

*Researcher*

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### **Annex**

## ABBREVIATIONS

$r^2$	:	Coefficient of Simple Determination
AD	:	Anno Domini (Abbreviation of Christian Era)
AGM	:	Annual General Meeting
AM	:	Arithmetic Mean
AMEX	:	American Stock Exchange
BOK	:	Bank Of Kathmandu Limited
BPS	:	Book-value Per Share
BS	:	Bikram Sambat (Abbreviation of Bikram Era)
CIT	:	Citizen Investment Trust
Clo.	:	Closing
CV	:	Coefficient of Variation
DDM	:	Dividend Discount Model
DIJA	:	Dow Jones Industrial Average
DPS	:	Dividend Per Share
EBL	:	Everest Bank Limited
EPS	:	Earning Per Share
EW	:	Equally Weighted
GDP	:	Gross Domestic Product
HBL	:	Himalayan Bank Limited
HMG/N	:	His Majesty's Government/Nepal
IMF	:	International Monetary Fund
IRR	:	Internal Rate of Return
ISO	:	International Organization for Standardization
Ltd.	:	Limited
Market Cap.	:	Market Capitalization
MBA	:	Masters of Business Administration

MBS	:	Masters of Business Studies
ml.	:	Milliliter
MPS	:	Market Price of Share
NA	:	Not Applicable
na	:	Not Audited
NBL	:	Nabil Bank Limited
NEPSE	:	Nepal Stock Exchange
NFC	:	National Finance Company
NPV	:	Net Present Value
NYSE	:	New York Stock Exchange
OE	:	Organized Exchange
OTC Market	:	Over The Counter Market
PE	:	Price Earnings
Prof.	:	Professor
r	:	Simple Coefficient of Correlation
Re.	:	Rupee
Rs.	:	Rupees
S & P 500	:	Standard and Poor 500
SCB	:	Standard Chartered Bank Nepal Limited
SEBO/N	:	Security Board of Nepal
TU	:	Tribhuvan University
US\$	:	United States Dollar
USA	:	United States of America
USSR	:	Union of Soviet Socialistic Republic
VIP	:	Vigilant-Independent-Professional
VW	:	Value Weighted