RISK AND RETURN ON COMMON STOCK OF SELECTED INSURANCE COMPANIES IN NEPAL

A THESIS

Submitted By:

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Submitted To:

Office of The Dean Faculty of Management Tribhuvan University

In partial fulfilment of the requirements of the degree of Masters of Business Studies (MBS)

NewBaneshwor, Kathmandu August, 2009

RECOMMENDATION

This is to certify that the thesis:

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Entitled Risk and Return on Common Stock of Selected Insurance Companies 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

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And found the thesis to be original work of the student and written according to the prescribed format. We recommend this thesis to be accepted as partial fulfillment of the requirement for the Master of Business Studies (M.B.S.)

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DECLARATION

I hereby declare that the work reported in this thesis entitled **Risk and Return on Common Stock of Selected Insurance Companies in Nepal** submitted to Nepal Commerce Campus, faculty of management, Tribhuvan University is my original work done in the form of partial fulfilment of the requirement for the Master of Business Studies (MBS) under the supervision of Prof. Dr. Bihari Binod Pokharel of Nepal Commerce Campus.

August, 2009

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ACKNOWLEDGEMENTS

I am profoundly grateful to many people for their advice, support and assistance to complete this thesis. I am primarily indebted to my supervisor, Prof. Dr. Bihari Binod Pokharel for his invaluable guidance, support and encouragement throughout this study. This study would not have been completed in time without this intellectual and personal support.

I am also very much thankful to the personnel of Nepal Beema Samiti, NEPSE, Security Board of Nepal, Nepal Rastra Bank and Insurance Companies for providing data and general information, especially Mr. Purna Thapa of Beema Samiti, Mr. Shambhu Panta of NEPSE for their various support, valuable suggestions and active Co-operation to complete my work.

Finally, I am very much grateful to my family for their encouragement and moral & physical support during the preparation of this thesis. I express debt of gratitude my teachers, my friend Sanjay Shakya, other friends and my parents for their continuous support, help and inspiration in my study.

Krishna Timsina Nepal Commerce Campus

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ABBREVIATIONS

ADR American Depositary Receipts

C.V. Coefficient of Variation

CAPM Capital Assets Pricing Model

CML Capital Market Line
Co.Ltd. Company Limited
CS Common Stock
Dev. Development

EIC Everest Insurance Company
EMDB Emerging Market Database

EPS Earning Per Share

ERR Expected Rate of Return

et.ai and others etc etcetera F/Y Fiscal Year

HGIC Himalayan General Insurance Company

i.e. That isins. InsuranceMfg. Manufacturing

MPS Market Price per Share
NEPSE Nepal Stock Exchange Ltd.

NRB Nepal Rastra Bank

P/E Price earning

PIC Premier Insurance Company
RRR Required Rate of Return
S.D. Standard Deviation
SEBO/N Securities Board, Nepal

SIC Sagarmatha Insurance Company

SML Security Market Line

U.S. United State

UIC United Insurance Company