

DETERMINANTS OF MONEY SUPPLY IN NEPAL

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By

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LETTER OF RECOMMENDATION

The thesis entitled “**Determinants of Money Supply in Nepal**” has been Prepared by **Mr. Gobinda Nath Trital** under my supervision. I hereby recommend this to the Thesis committee for examination as a partial fulfillment of the requirements for the Degree of Master of Arts in Economics.

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APPROVAL LETTER

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ABBREVIATION

C and R	:	Capital and Reserve
C	:	Currency
c	:	Currency to Demand Deposit Ratio
C.V.	:	Coefficient of Variation
C/D	:	Currency to Demand Deposit Ratio
CCB	:	Credit to Commercial Banks
C ^d	:	Currency Demand
CGE	:	Credit to the Government Enterprises
CPS	:	Credit to Private Sector
D	:	Deposit
D/C	:	Deposit Currency Ratio
D/R	:	Deposit Reserve Ratio
d ₂	:	Time and Saving Deposits to Demand Deposit Ratio
DL	:	Discount Loans
ER	:	Excess Reserve
ER/D	:	Excess Reserve to Demand Deposit Ratio
gd	:	Government Deposit to Demand Deposit Ratio
GDP	:	Gross Domestic Product
H	:	High Powered Money
H ^d	:	Demand for High Powered Money
H ^s	:	Supply of High Powered Money
m	:	Money Multiplier
M	:	Money Supply
m ₁	:	Money Multiplier for M ₁
M ₁	:	Narrow Money

M_2	:	Broad Money
m_2	:	Money Multiplier for M_2
MB	:	Monetary Base
MB_n	:	Non Borrowed Monetary Base
MMF/D	:	Money Market Fund to Demand Deposit Ratio
NCG	:	Net Credit to the Government
NFA	:	Net Foreign Assets with Monetary Authority.
NOA	:	Net Other Asset of Monetary Authorities
NRB	:	Nepal Rastra Bank
R	:	Cash Reserve of Banks
r	:	Reserve to Demand Deposit Ratio
R^d	:	Demand for Reserve
r_D	:	Required Reserve Ratio
r^{dCN}	:	Ratio of the Total Reserve with the NRB to Total Deposits with Commercial Bank
S.D.	:	Standard Deviation
T/D	:	Time deposits to Demand Deposit Ratio