

# **A STUDY ON THE RESOURCE MOBILIZATION OF FINANCE COMPANIES IN NEPAL**

**A Thesis by:**

**Bijan Bhattarai**

Global College of Management

T.U. Regd. No:

Exam Roll No:

**Submitted To:**

Office of the Dean

Faculty of Management

Tribhuvan University

**In partial fulfillment of the requirements for the Degree of**

Masters of Business Studies (M.B.S.)

Kathmandu

November, 2009

# RECOMMENDATION

**This is to certify that the thesis:**

**Submitted by:**

**Bijan Bhattarai**

**Entitled:**

## **A STUDY ON THE RESOURCE MOBILIZATION OF FINANCE COMPANIES IN NEPAL**

has been prepared as approved by this department in the prescribed format of the Faculty of Management.

This thesis is forwarded for examination.

**Supervisors:**

.....

**(Associate Professor)**

.....

**(Campus Chief)**

.....

**(Lecturer)**

## **VIVA-VOCE SHEET**

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

**Submitted by:**

**Bijan Bhattarai**

Entitled:

### **A STUDY ON THE RESOURCE MOBILIZATION OF FINANCE COMPANIES IN NEPAL**

and found the thesis to be 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

**Masters Degree of Business Studies (M.B.S.)**

#### **Viva-Voce Committee**

Head of Research Department : .....

Member (Thesis Supervisor) :.....

Member (Thesis Supervisor) :.....

Member (External Expert) :.....

## DECLARATION

*I hereby declare that the work reported in this thesis entitled “**RESOURCE MOBILIZATION OF FINANCE COMPANIES IN NEPAL**” submitted to Global College of Management, Tribhuvan University is my original work done in the form of partial Fulfillment of the requirement of the Master of Business Studies (MBS) under the supervision of **Dr. Madhav Raj Koirala** of Global college of management, Kathmandu.*

.....

Bijan Bhattarai

(Researcher)

Roll No:

## **ACKNOWLEDGEMENT**

Financial Sector is the backbone of any economy; a financial institution cannot be imagined without the presence of investors. Thus, protection of Investors should be considered seriously. Legal provision and the practice regarding shareholders' interests also are immature in our country. In this way, shareholders are being exploited from the lack of transparent shareholders protection act. In addition, passive role played by the concerned departments have led to violation of shareholders rights.

The present study though particularly related to the resource mobilization in finance companies from the view of shareholders protection would help the shareholders to understand the different aspect related to the welfare and betterment of the shareholders.

Writing research work needs help of so many persons. I am grateful with all of them who have helped, guided and supervised to complete this work without whose co-operation it would have been simply impossible to complete this research work.

I would like to pay my sincere thanks to my thesis advisors **Dr. Madhav Raj Koirala**

My Sincere thanks also goes to staff of concerned financial institutions who helped me in providing Annual Reports and Xerox copies of the Annual Reports and I am also grateful to the librarians of Global College Of Management and Central Library, T.U.

I am sole responsible for any errors that might have occurred during completion of my research work.

Bijan Bhattarai

**Researcher**

## ABBREVEATIONS

C. V.	:	Coefficient of Variation.
COV	:	Covariance.
DPS	:	Dividend per Share.
DY	:	Dividend Yield.
EMH	:	Efficient Market Hypothesis.
EPS	:	Earning per Share.
ERR	:	Expected Rate of Return.
F/Y	:	Fiscal Year.
FI	:	Financial Institutions
GDP	:	Gross Domestic Product
GFL	:	Godwill Finance Ltd.
GOFL	:	Gorkha Finance Ltd.
HPR	:	Holding Period Return.
JV	:	Joint Venture
Ltd.	:	Limited.
MBS	:	Masters of Business Studies.
MPS	:	Market Price per Share.
MV/BV Ratio	:	Market Value to Book Value Ratio.
NBA	:	Non Banking Assets

NEPSE	:	Nepal Stock Exchange Limited.
NFL	:	National Finance LTd.
NGO	:	Non Government Organization
NHMF	:	Nepal Housing and Merchant Finace
NIDC	:	Nepal Industrial & Development Bank.
NPA	:	Non Performing Assets
NPL	:	Non Performing Loan
NRB	:	Nepal Rastra Bank.
OTC	:	Over-The-Counter.
P/E Ratio	:	Price Earning Ratio.
RRR	:	Required Rate of Return.
S.D.	:	Standard Deviation.
SDC	:	Shanker Dev Campus.
T-Bill	:	Treasury Bills.
TU	:	Tribhuvan University.
UFL	:	United Finance Ltd.
BAFIA	:	BAnk and Financial Institution Act
SLR	:	Statutory Liquidity Requirement
NBFI	:	Non Banking Financial Institutions