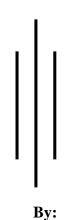
INVESTORS RATIONALITY IN CHOOSING A FINANCIAL INSTRUMENT



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A Thesis Submitted to:
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In partial fulfillment of the requirements for the Degree of Masters of Business Studies (M.B.S.)

Kathmandu, Nepal April, 2009

RECOMMENDATION

This is to certify that the thesis:

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Entitled:

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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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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

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DECLARATION

I hereby declare that the work reported in this thesis entitled "Investors Rationality in

Choosing a Financial Instrument" submitted to Shanker Dev Campus, 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 Kishor Maharhan and

Govinda Bahadur Thapa, lecturers of Shanker Dev Campus.

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LIST OF ABBREVIATIONS

BHC : Bank Holding Companies

C : Column

CAR : Capital Adequacy Ratio

CDM : Central Department of Management

CRR : Cash Reserve Ratio

E : Expected frequency

EPE : Earning per Employee

EPS : Earning per Share

et.al : and others

EVE : Economic value of Equity

EWS : Early Warning System

FI : Financial Institutions

FRN : Floating Rate Note

FY : Fiscal Year

i.e. : That is

IMF : International Monetary Fund

IRR : Internal Rate of Return

MPI : Macro Prudential Indicators

NEPSE : Nepal stock exchange

NIM : Net Interest Margin

NPL : Non Performing Loans

NRB : Nepal Rastra Bank

NRB : Nepal Rastra Bank

O : Observed frequency

OIG : Office of the Inspector General

RBB : Rastriya Banijya Bank

ROA : Return on Assets

ROE : Return on Equity

RWA : Risk Weighted Assets

SEBO : Security board Nepal

T-bill : Treasury bills

TOE : Total Operating Expenses

VaR : Value at Risk

Viz. : Namely