

ROLE OF DEVELOPMENT BANKS IN ECONOMIC DEVELOPMENT OF NEPAL

A Thesis

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By

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LETTER OF RECOMMENDATION

The thesis entitled **Role of Development Bank in Economic Development of Nepal** submitted by Mr. Rudra Bahadur Ghimire is prepared under my supervision and guidance. I forward it with recommendation for approval.

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APPROVAL LETTER

This thesis entitled **Role of Development Bank in Economic Development of Nepal** submitted by Mr. Rudra Bahadur Ghimire has been accepted as a partial fulfillment of the requirements for the Degree of Master of Arts in Economics.

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This thesis is based on the determinants of the economic development that is development banks in Nepal. The liberalization in the financial sector diversified the nature and types of financial institutions. Among them, development banks grew in a rampant way, which insisted me to assess its status and role in our economy.

Though the study has some limitations and shortcomings, the findings might be useful to a large extent to the researchers, planner and policy makers. Similarly, this dissertation aims at throwing light on the importance of development banks in economic growth of the Nepalese economy, supporting by the empirical findings.

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ABBREVIATIONS

A	-	Total Assets of the Development Banks
BAFIA	-	Bank and Financial Institution Act
C	-	Credit made by Development Banks
CB	-	Commercial Bank
CBSL	-	Central Bank of Sri Lanka
CDPA	-	Central Department of Public Administration
CICL	-	Credit Information Center Limited
CIT	-	Citizen Investment Trust
CMIE	-	The Centre for Monitoring Indian Economy
DB	-	Development Bank
DICGC	-	Deposit Insurance and Credit Guarantee Corporation
D-W	-	Durbin-Watson
EPF	-	Employee Provident Fund
Dn	-	Number of Development Banks
FC	-	Finance Company
FY	-	Fiscal Year
GDP	-	Gross Domestic Product
ln	-	Natural Logarithm
MOF	-	Ministry of Finance
NBFCs	-	Non-banking Finance Companies
NBFIs	-	Non-bank Financial Institutions
NEPSE	-	Nepal Stock Exchange
NGO	-	Non-governmental Organization

NRB	-	Nepal Rastra Bank
OLS	-	Ordinary Least Square
QEB	-	Quarterly Economic Bulletin
RBI	-	Reserve Bank of India
R^2	-	Coefficient of Determination
TU	-	Tribhuvan University
Y	-	Nominal Gross Domestic Products in Producer's Price