

**FINANCIAL PERFORMANCE INDICATORS AND
STOCK MARKET BEHAVIOR
(A CASE OF LISTED COMPANIES IN NEPAL)**

By

Surya Prasad Kharel

Shanker Dev Campus

T.U. Regd. No. 7-2-327-614-2001

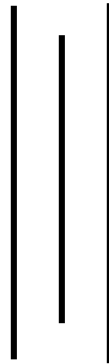
Campus Roll No. : 1795/061

A Thesis Submitted to:

Office of the Dean

Faculty of Management

Tribhuvan University



*In partial fulfillment of the requirement for the Degree of
Master of Business Studies (M.B.S)*

Kathmandu, Nepal

November, 2008

RECOMMENDATION

This is to certify that the Thesis

Submitted by:

Surya Prasad Kharel

Entitled:

**FINANCIAL PERFORMANCE INDICATORS AND
STOCK MARKET BEHAVIOR
(A CASE OF LISTED 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.*

.....
Dr. Kamal Das Manandhar
(Thesis Supervisor)

.....
Dr. Kamal Deep Dhakal
(Campus Chief)

.....
Dhurba Subedi
(Thesis Supervisor)

VIVA-VOCE SHEET

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

by

Surya Prasad Kharel

Entitled:

**FINANCIAL PERFORMANCE INDICATORS AND
STOCK MARKET BEHAVIOR
(A CASE OF LISTED COMPANIES IN NEPAL)**

*And found the thesis to be the 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*

Master Degree of Business Studies (M.B.S.)

Viva-Voce Committee

Head, Research Department

Member (Thesis Supervisor)

Member (Thesis Supervisor)

Member (External Expert)

TRIBHUVAN UNIVERSITY

Faculty of Management

Shanker Dev Campus

DECLARATION

I hereby declare that the work reported in this thesis entitled “**FINANCIAL PERFORMANCE INDICATORS AND STOCK MARKET BEHAVIOR(A CASE OF LISTED COMPANIES IN NEPAL)**” submitted to Office of the Dean, Faculty of Management, Tribhuvan University, is my original work done in the form of partial fulfillment of the requirement for the Master’s Degree in Business Study (M.B.S.) under the supervision of **Dr. Kamal Das Manadhar and Dhurba Subedi** of Shanker Dev Campus.

.....

Surya Prasad Kharel

Researcher

T.U. Registration No.

Campus Roll No. :

ACKNOWLEDGEMENT

This thesis report has been prepared to fulfill the partial requirement for the degree of Master of Business Study (MBS) of Tribhuvan University. For this, I would like to acknowledge the effort of office of the Dean, Faculty of Management Tribhuvan University for offering such a great course in our syllabus to enhance the quality of management education in the country.

For this little piece of work, I would like to express my heart-felt gratitude to my respected Associate Professor Dr. Kamal Das Manandhar and Dhurba Subedi for his grand support, encouragement and patience up to the accomplishment of report. I also cannot forget the co-operative behaviors of Mr. P.K Shrestha of SEBON and NEPSE family for their great support in providing the data.

I am also grateful to all of my friends and relatives, son in-law Matrika and Shankar & Mina and Sunita sister, Punna Ji, Prakash Dai, Krishna Ji & Bibek Ji, Suman Brother etc. for their helps and keen concern in my thesis accomplishment.

Similarly, I would like to thanks Mr. Dipak Adhikari and Ramchandra Ojha for their unforgettable support during the report completion period.

Last but not the least, I would like to share my down love and indebtedness to my loving father Ram Prasad Kharel, my affectionate mother Parbati Kharel and lastly to my life partner Babita Kharel and lovely daughter Diya Kharel and son Bhabishya Kharel for their immeasurable supports, love and inspiration in my walk of life.

Surya Prasad Kharel
Researcher

ABBREVIATIONS

a	:	Constant (Intercept) of Regression Line
b	:	Co-efficient (Slope) of Regression Line
BOK	:	Bank of Kathmandu Limited
BVPS	:	Book Value Per Share
DPS	:	Dividend Per Share
EPS	:	Earning Per Share
HBL	:	Himalayan Bank Limited
MVPS	:	Market Value Per Share
Nabi	:	Nepal Arab Bank Limited
NBB	:	Nepal Bangladesh Bank Limited
NEPSE	:	Nepal Stock Exchange
p	:	Probability (pro. Value)
P/E Ratio	:	Price Earning Ratio
Per	:	Probable Error of the Estimate
R	:	Pearson's correlation Co-efficient
R^2	:	Co-efficient of Determination
ROA	:	Return on Assets
ROE	:	Return on Equity
SB	:	Security Board
SBI	:	Nepal State Bank of India Limited
SCBL	:	Standard Chartered Bank Nepal Limited
Se	:	Standard Error of the Estimate
SEBON	:	Security Exchange Board of Nepal
t	:	't' Statistic