

**APPLICATION OF MANAGEMENT ACCOUNTING TOOLS
AND TECHNIQUES IN NEPALESE COMMERCIAL JOINT
VENTURE BANKS**

**A dissertation submitted to the Office of the Dean, Faculty of Management in
partial fulfilment of the requirements for the Master's Degree**

by

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Certification of Authorship

I hereby corroborate that I have researched and submitted the final draft of dissertation entitled “**Application of Management Accounting Tools and Techniques in Nepalese Commercial Joint Venture Banks**”. The work of this dissertation has not been submitted previously for the purpose of conferral of any degrees nor it has been proposed and presented as part of requirements for any other academic purposes.

The assistance and cooperation that I have received during this research work has been acknowledged. In addition, I declare that all information sources and literature used are cited in the reference section of the dissertation.

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January, 2021

Report of Research Committee

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ABBREVIATIONS

| | | |
|-------|---|--|
| ABB | = | Activity Based Budgeting |
| ABC | = | Activity Based Costing |
| ABM | = | Activity Based Management |
| AD | = | Anno Domini |
| AMT | = | Advanced Manufacturing Technologies |
| ARR | = | Average Rate of Return |
| BSC | = | Balance Score Card |
| CGMA | = | Chartered Global Management Accountant |
| CIMA | = | Chartered Institute of Management Accountants |
| CRM | = | Customer Relationship Management |
| CVP | = | Cost-Volume-Profit |
| DSS | = | Decision Support System |
| FMCG | = | Fast Moving Consumer Goods |
| FY | = | Fiscal Year |
| HBL | = | Himalayan Bank Limited |
| IRR | = | Internal Rate of Return |
| JIT | = | Just In Time |
| JSE | = | Johannesburg Stock Exchange |
| JVBs | = | Joint Venture Banks |
| Ltd | = | Limited |
| LZS | = | Lembaga Zakat Sekangor |
| MA | = | Management Accounting |
| MAPs | = | Management Accounting Practices |
| MAS | = | Management Accounting System |
| MATs | = | Management Accounting Tools |
| MIRR | = | Modified Internal Rate of Return |
| NABIL | = | Nepal Arab Bank Limited |
| NBBL | = | Nepal Bangladesh Bank Limited |
| NBL | = | Nepal Bank Limited |
| NPV | = | Net Present Value |
| NRB | = | Nepal Rastra Bank |
| PEST | = | Political, Legal, Social and cultural, Technological |

| | | |
|-------|---|--|
| PMS | = | Performance Measurement Systems |
| RBB | = | Rastriya Banijaya Bank |
| ROI | = | Return of Investment |
| SCBNL | = | Standard Chartered Bank Nepal Limited |
| SD | = | Standard Deviation |
| SMEs | = | Small and Medium Sized Enterprises |
| SPSS | = | Statistical Package for Social Science |
| SWOT | = | Strength, Weakness, Opportunity and Threat |
| TQM | = | Total Quality Management |
| UK | = | United Kingdom |
| ZBB | = | Zero Based Budgeting. |

ABSTRACTS

This study sought to determine the extent to which Commercial Joint Venture Banks (JVBS) in Nepal use Management Accounting Tools and Techniques (MATs), namely Costing tools, Budgeting tools, Decision making tools and Performance evaluation tools. Specifically, the study aimed to determine the types of MATs used by JVBS; the purpose for which MATs are mostly used by JVBS; the perception of JVBS regarding the effectiveness of these tools and the possible factors that could inhibit JVBS from using the tools.

Out of 7 commercial joint venture banks in Nepal 3 banks are taken as a sample. The study has an objective to analyze the practice of management accounting tools by JVBS. The study used descriptive and analytical approach to analyze the use of management accounting tools by JVBS. The finding of the study mostly based on Statistical tools for the social science (SPSS) V25.

The correlation analysis is carried out respectively to examine the nature and extent of relationship between the variables. There is positive relationship between management accounting tools and organizational performance. The multiple regression is also used to examine the impact of use of management accounting tools practices on organizational performance. The output of multiple regression analysis shows a significant association between the changes in MATs on Organizational Performance.

The finding of the study reveal that most of the JVBS used management accounting tools moderately. The result also indicates that the use of performance evaluation tools is higher than other management accounting tools like costing tools, budgeting tools and decision making tools. With regard to the perceived effectiveness of the MATs, the findings revealed that the MATs investigated were perceived to be moderately effective, with performance evaluation tools being perceived to be more effective, followed by budgeting tools, then costing tools.

On the basis of finding of the study banks are recommend for practice of management accounting tools to improve the effectiveness of organizational performance of the bank.