

ANALYZING THE IMPACT OF INFLATION ON INVESTING IN NEPAL

DATA 200: APPLIED STATISTICAL ANALYSIS

Team Members


Pratik Khatri

Swopnil Raj Wagle

Prajwal Pokharel



OBJECTIVES



Our goal is to study how inflation affects people's willingness and ability to invest in Nepal. This project will help us understand if rising prices make people invest less or choose different types of investments (like gold, real estate, or stocks). The insights can support financial planning for individuals, investors, and policymakers.



PROBLEM STATEMENT

In recent years, inflation has affected the cost of living in Nepal, and people are becoming more cautious with their finances. Many avoid or delay investing because they are unsure of future returns. This project aims to explore the relationship between inflation rates and investment behaviors using statistical analysis. We want to see how inflation impacts investment trends and what types of investments people prefer during high-inflation periods.





STATISTICAL MODEL TO BE USED

- **Linear Regression** – To predict investment trends based on changes in inflation.
- **ANOVA (Analysis of Variance)** – To test whether average investment behavior significantly differs across different inflation levels or time periods.

BRIEF DESCRIPTION OF THE CHOSEN MODEL

01

LINEAR REGRESSION

It is a statistical technique used to examine the relationship between one dependent variable (e.g., amount invested) and one or more independent variables (e.g., inflation rate). In this project, linear regression will help quantify how much investment changes with inflation and identify if there's a strong positive or negative correlation.

02

ANOVA

It will be used to determine whether there are statistically significant differences in investment amounts across periods with low, medium, or high inflation. It helps in understanding whether inflation levels lead to meaningful shifts in investment behavior.

THANK YOU