

Week 2: Literature Review and Dataset Selection

Literature Review

1. Karki, S., Banjara, S., & Dumre, A. (2020) – A review on impact of inflation on economic growth in Nepal

The research describes the role that inflation has on Nepal's total economy. It tells us that when the amount of inflation rises sharply, it reduces growth in the economy. Since prices go up, it becomes harder for consumers and businesses to plan their spending and saving which is why the economy slows down. The paper proposes that Nepal achieving stable inflation is important for investments and economic growth. It is important for our project because it shows that rising prices can lead investors to become more cautious and want to invest less.

2. Adhikari, C. P., Jha, A. K., & Maheshwari, D. N. (2024) – The Impact of Inflation and GDP Growth Rate on Nepal's Stock Market

The article examines the relationship between inflation, GDP growth and Nepal's stock market. It shows that when prices rise quickly, the stock market can underperform which can stop people from investing in shares. If the GDP is growing, it draws more investors into the market. It helps our project by proving that inflation shapes the way people invest and that is what we are studying in Nepal.

3. Joshi, A., Pradhan, S., & Bist, J. P. (2019) – Savings, investment, and growth in Nepal: an empirical analysis

This paper looks at how savings, investment and growth are linked in Nepal. Research shows that when inflation goes up, savings and investment are reduced. People tend to save and invest more whenever there is stability and low levels of inflation. For our project, this paper shows the effects of inflation on investment choices in Nepal.

Dataset Selection

The instrument we have assembled is a real set of data called "Inflation Report 2079/80," which was provided by the Nepal Rastra Bank (NRB). You can find information in this report about trends in monthly and yearly inflation, what kinds of inflation there are (such as food and non-food) and price indices in Nepal.

References

Karki, S., Banjara, S., & Dumre, A. (2020). A review on impact of inflation on economic growth in Nepal. Archives of Agriculture and Environmental Science, 5(4), 576-582.

Adhikari, C. P., Jha, A. K., & Maheshwari, D. N. (2024). The Impact of Inflation and GDP Growth Rate on Nepal's Stock Market: An Analytical Study. Medha: A Multidisciplinary Journal, 7(1), 61-78.

Joshi, A., Pradhan, S., & Bist, J. P. (2019). Savings, investment, and growth in Nepal: an empirical analysis. Financial Innovation, 5(1), 39.

Dataset Link:

https://www.nrb.org.np/contents/uploads/2024/07/0.Inflation_Report_2079_80_FINAL.pdf