

LIST OF TABLES / APPENDICES

| <u>Tables</u> | <u>Title</u> | <u>Page</u> |
|---------------|---|-------------|
| 2.1. | Variation of Inflation and Excess Supply of Money (1975-2003) | 37 |
| 2.2. | Macroeconomic Indicators of Nepalese Economy (1975-2003) | 42 |
| 2.3. | Gross Domestic Product (GDP) at Factor Cost | 43 |
| 2.4. | Monetary Growth | 44 |
| 2.5. | National Urban Consumer Price Index | 45 |
| 2.6. | Public Finance and Fiscal Deficit | 46 |
| 2.7. | Interest Rates in Nepal | 47 |
| 2.8. | Weights of Household Expenditure for Consumer Price Indices (CPI) (Base Year 1995/96=100) | 61 |
| 2.9. | Number of Items in the Commodity Basket of CPI | 62 |
| 2.10. | Data Collection Period and Commodities of CPI | 62 |
| 5.1. | The Effect of $M1_t$ and Y_t on inflation (1975 to 2003) | 135 |
| 5.2. | The Effect of changes in $M2_t$ and Y_t on inflation (1975 to 2003) | 137 |
| 5.3. | The Effect of changes in $M1_t$, $M2_t$, Y_t , P_t^e on inflation (1975 to 2003) | 139 |
| 5.4. | The Effects of changes in D_t , R_t , $M1_t$, $M2_t$, Y_t and (P_t^e) on inflation (1975 to 2003) | 141 |
| 5.5. | The Effect of changes in Structural Factors on Inflation (1975 to 2003) | 143 |
| 5.6. | The Effect of changes in money supply and structural variables on Inflation (1975 to 2003) | 146 |
| 5.7. | Effects of M1 including Lags on Inflation (1975:I to 2003:IV) | 148 |
| 5.8. | Effects of $M2_t$ including Lags on Inflation (1975:I to 2003:IV) | 149 |
| 5.9. | Effect of M1 and M2 on Food and Beverage Price Index (1975:I to 2003:IV) | 151 |
| 5.10. | Effect of M1 and M2 on Non-food and Services Price Index (1975:I to 2003:IV) | 152 |
| 5.11. | Effect of M1 on Major Components of Overall Price Index 1975:I to 2003:IV | 153 |
| 5.12. | Summary of the Elasticities of Inflation with respect to M1 and M2 | 154 |
| 5.13. | Granger Pair-wise Causality between Inflation and Money Supply 1975:I to 2003:IV | 158 |
| 5.14. | Stationary Test –Unit Root Test- Test Statistics –ADF (1975 I to 2003 IV) | 162 |
| 5.15. | Test of Unit Root of First Difference and Trend Data (1975 I to 2003 IV) | 163 |
| 5.16. | Cointegration Test CPIO and M1 and M2 Sample: 1975 I to 2003 IV | 166 |
| 5.17. | Test of Unit Root on “ δ ” in Level Form Data (1975-2003) | 171 |

| | |
|---|-----|
| 5.18. Test of Unit Root in First Difference and Trend Data (1975-2003) | 172 |
| 5.19. Cointegration Test between Inflation (Log CPI) and its Major Determinants(1975-2003) | 174 |
| 5.20. Correlation Coefficient between Inflation and Macroeconomic Variables of Nepal (Sample 1975-2003) | 187 |
| 6.1. Inflation Forecasting by Trend Methods (1975-2002) | 190 |
| 6.2. Ex-post Forecast of CPI for the Year 2003 | 191 |
| 6.3. Inflation Forecasting by Regression Model (1975:I-2002:IV) | 192 |
| 6.4. AC and PAC of CPI on ARMA(1,0,1) Specification (1975 – 2003) | 195 |
| 6.5. AC and PAC of CPI on ARMA (1,1,1) Specification (1975 to 2003) | 198 |
| 6.6. AC and PAC of CPI on ARMA(4,0,5) Specification (1975:I-2003:IV) | 199 |
| 6.7. Ranking AEMP of various ARIMA Specifications | 200 |
| 6.8. Vector Autoregression Estimation between CPIO and M1 After adjustment (1975:3 2002:4) | 201 |
| 6.9. In-Sample Forecast of Inflation (1975:I-2003:IV) | 202 |
| 6.10. Simple Moving Average and Exponential Moving Average Forecast of CPI (1975I -2003IV) | 205 |
| 6.11. Ex-ante Forecast Using Single and Double Exponential Moving Average (1975I -2003IV) | 206 |
| 6.12. Measures of Dispersion of Major Commodity Groups of CPI in Nepal | 212 |
| <u>Appendices</u> | |
| A. Data for Analysis (Annual: 1975– 2003) | 229 |
| B. Data for Analysis (Quarterly: 1975I – 2003IV); Base Year 1995/96 | 230 |