

CHANISA MANEERATTANARUNGROD : CAPITAL STRUCTURE

AFFECTING FIRM VALUE. THESIS ADVISOR : ASSOC. PROF.

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CAPITAL STRUCTURE/FIRM VALUE/STRUCTURAL EQUATION MODEL

The objectives of this research are to compare the capital structure of listed companies in each industry, to explore the influences of the firm characteristics on the capital structure and the firm value, and to find the effect of the capital structure on the corporate value. The firm characteristics and the capital structure are latent variables, each of which is measured from two or three financial data. Moreover, the capital structure is a mediator in the model. Then, the causal relationship is analyzed with the structural equation modelling technique. The secondary data of firms listed on the Stock Exchange of Thailand for three accounting periods from 2012 to 2014 are retrieved from SET Market Analysis and Reporting Tool (SETSMART). After removing multivariate outliers, the samples consist of 292 listed companies from six industries, which are agro and food industry, technology, services, industrials, consumer products, and property and construction.

The empirical results indicate that the capital structures of firms from various industries are different. Firms in property and construction industry have the highest level of long term debts. They also have the highest level of total debts, except for firms in the technology industry. Moreover, the firm characteristics, which are firm size, risk, and tangibility, positively affect the capital structure. However, liquidity negatively

affects the capital structure. The results also show that firm performance and growth opportunity have no effect on the capital structure. Furthermore, firm performance, capital structure, growth opportunity, and tangibility have positive effects on the firm value. Finally, financial managers can possibly use these results to develop their capital structure and to improve their firm value. These results will also fill the gap in an empirical knowledge of the mediating role of capital structure, affecting the firm value.



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