

Srinarth Chathamamma 2009: Determinants of Collateral Requirement on Bank for Agriculture and Agricultural Cooperatives' Lending. Master of Science (Agricultural Economics),  
Major Field: Agricultural Economics, Department of Agricultural and Resource Economics,  
Thesis Advisor: Assistant Professor Visit Limsombunchai, Ph.D. 65 pages.

The objective of this study is to examine the factors that determine collateral requirement on Bank for Agriculture and Agricultural Cooperatives (BAAC)'s Lending. The total of 979 credit files used in this study is obtained from BAAC. The data set is analyzed by Tobit model. The results show that total asset value, amount of credit, cultivation area, current ratio, interest coverage ratio, the length of bank-borrower relationship, and type of loan are crucial factors in determining collateral level. In addition, the results indicate that total asset value, cultivation area, and type of loan have positive impact on the collateral level, while amount of credit, current ratio, interest coverage ratio, and the length of bank-borrower relationship have negative influence on the collateral level.

Beside that, the results indicate that total asset value, amount of credit, interest coverage ratio and the length of bank-borrower relationship are crucial factors in determining collateral requirement of agricultural credit, while cultivation area and the length of bank-borrower relationship are crucial factors in determining collateral requirement of non-agricultural credit.

The obstacles on this study are about time, budget, and accessibility to the data set. Therefore, the results on this study are not generalize and limited to the study provinces. For further study, the number of province, types of loan, and types of collateral should be extended to represent BAAC normal practice.

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