

Wichawadee Racharoenkit 2014: Value Relevance of Non-earnings Accounting Numbers for Investment Decisions. Master of Accountancy, Major Field: Accounting, Department of Accounting. Thesis Advisor: Ms. Suthawan Prukumpai, Ph.D.
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This research aims to examine the value relevance of non-earnings accounting numbers for the investment decisions. The dataset contains 44 financial ratios of non-earnings in the financial statements of 261 listed companies on the Stock Exchange of Thailand between 2009 and 2011. Firstly, the explanatory power of the non-earnings accounting numbers to explain future earnings is investigated. Secondly, the incremental explanation of non-earnings numbers to explain the variation in stock returns is tested.

The results show that 12 non-earnings numbers: namely, seven liquidity ratios, two profitability ratios and three efficiency ratios, can explain future earnings at 0.01 significant levels. In addition, non earnings numbers have an incremental explanation beyond earnings in explain the variation in stock return by increasing Adjusted R-squared from 6.09 % to 7.15% Our results confirm the value relevance of financial statements. Such that, investors can use non-earnings numbers together with earnings for investment decision in the stock market.

Student's signature

Thesis Advisor's signature