

Thitima Kaewpaitoon 2014: The Effect of Investment Opportunity Set on the Relationship between Corporate Governance and Firm Growth. Master of Business Administration (Industrial Administration and Development), Major Field: Industrial Administration and Development, Faculty of Business Administration. Thesis Advisor: Miss Suntharee Lhaopadchan, Ph.D. 175 pages.

The objective of this research is to study the effect of Investment Opportunity Set on the relationship between Corporate Governance and firm growth of the listed companies in the Stock Exchange of Thailand (SET) from 2004 to 2011 in 7 industries: agro and food industry, consumer Products, industrials, property & construction, resources, services and technology. The sample of study is all public companies published all annual data for the entire 8 years period total of 251 companies. Multiple Regression technique is adopted with Panel data method to test the hypothesis. The acceptable degree of significant level is 0.05.

The results of the study reveal that Corporate Governance has both direct and indirect effect on the firm growth. Proportion of Independent Director and Board Size has a direct pessimistic effect on the firm growth. Proportion of Management Share Ownerships does not have both direct and indirect effect on the firm growth. Investment Opportunity Set has a negatively direct effect on the firm growth. An interesting relation was found when Investment Opportunity Set is studied in conjunction with Corporate Governance and Firm Growth. The relation is changed from negative to positive. Therefore Corporate Governance has an indirect effect on the firm growth through stimulating opportunity for good investment awareness. Good investment choice and good governance implicit positive effect to firm growth.

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