Pattara Boonyarith 2014: The Comparative Study of Stock Valuation Model Case Study: Banking Industry. Master of Business Administration, Major Field: Business Administration, Faculty of Business Administration. Thesis Advisor: Peerapat Wongchaiwat, D.Sc. 49 pages.

To evaluate the stock value, there are currently many approaches. Among these analytical instruments Dividend Discount Model (DDM), Discount Cash Flow Model (DCF) and Residual Income Model (RIM) are intensively used by investors and analyzers. Even though the main concepts and the analytical fundamental to predict the value of the firm of these models are different, their outputs are accurate in the case of general business. Banking and Financial industry's businesses, however, are different due to the complexity of capital structure. Hence, the main objective of this paper is to select the suitable model for predicting the stock value of banking and financial section. The historical data were used to evaluate the value using DDM, DCF and RIM model. Finally, the predicted values of each model are compared with those of historical market prices and calculated the error which was used as selective criteria. The results showed that RIM had the least valuation error on average followed by DDM and DCF model, respectively. This might be because the RIM included a book value into the estimation model which was commonly correlated to the stock price of banking and financial section, while DCF encountered the negative predicted value due to the natural structure of the industry.

______________________________ ______________________________ ___ / ___ / ___

Student's signature Thesis Advisor's signature