

Pimchanok Tuntana 2011: Earnings Management by Accruals of Initial Public Offering Firms in the Stock Exchange of Thailand. Master of Accountancy, Major Field: Accounting, Department of Accounting. Thesis Advisor: Associate Professor Sasivimol Meeampol, D.B.A. 175 pages.

This research has two objectives: (1) To study earnings management by accruals of Initial Public Offering in the Stock Exchange of Thailand by using Modified Jones Model (1995) (2) To examine the relationship between the factors related to the financial performances and discretionary accruals in the prior and post Initial Public Offering years. Samples were firms in Initial Public Offering from 2004 to 2005 with the total of 55 firms, excluding 10 firms in financials industry group and 7 firms that not fully qualified. These data were collected from financial statement 2001 to 2008. Descriptive statistics used in this research were minimum, maximum, mean and standard deviation. Hypotheses were conducted using Paired T-Test and Multiple Regression Analysis at 0.05 significant level.

The research found earnings management by using Modified Jones Model to measure discretionary accruals of Initial Public Offering firms in the period prior to the IPO years was higher than in the post IPO years. In addition, the factors related to the financial performances consists of return on total asset, audit firm and firm size significantly related to discretionary accruals in the period prior to the IPO years and return on total asset, debt to equity ratio and service industry significantly related to discretionary accruals in the post IPO years. Moreover, the analysts and investors are able to use this factor related to the financial performances as preliminary indicators in analyzing the earnings management of Initial Public Offering in the Stock Exchange of Thailand.

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