

Krittayot Srisuk 2013: The Study of Relationship between Financial Ratios and the Stock Prices Change in each Sector of the Industry Groups in SET50 Index. Master of Business Administration, Major Field: Business Administration, Faculty of Business Administration. Thesis Advisor: Associate Professor Jiamjit Javakorn, M.B.A. 94 pages.

The study was aimed to investigate the relationship between financial ratios and the stock prices change in SET50 Index that which one having been the most effected to the stock prices in each sector of the industry groups of the SET50 index. This study used six financial ratios including Return on Asset, Price to Book Ratio, Net Profit Margin, Debt to Equity Ratio, Dividend Yield and Return on Equity. The data has been collected quarterly since the first quarter of 2007 to the fourth quarter of 2011 of stocks in the SET50 index over a specified period of all 30 companies analyzed by separating the industry group into six groups using correlation analysis and multiple linear regression models to find the relationship between financial ratios and stock prices change during this period.

The results shown that the most of financial ratios correlated with the stock prices change in Agro & Food Industry is Return on Equity, in Financial industry, Property & Construction industry and Resource industry is Return on Asset but the Service Industry have not any financial ratios correlated with the stock prices change. Finally, the financial ratios that correlated with the stock prices change in Technology industry is Price to Book Ratio. This study showed that financial ratios are correlated with changes in stock prices and it will be useful to investors for making their decision.

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