

Weeraya Suksommanut 2015: Stock Price Reaction to Earnings Announcement. Master of Accountancy, Major Field: Accounting, Department of Accounting.

Thesis Advisor: Mr. Polwat Lerskullawat, Ph.D. 116 pages.

The research examines the value relevance of the earning announcements in the listed companies on the Stock Exchange of Thailand with quarterly data in 2012. The event study framework is used as the main methodology and the abnormal returns are calculated via the market model. With either good or bad news of the earning announcements to the companies, the standard unexpected return is applied for clarifying them, following the study of Foster Olsen and Shevlin (1984)

The results demonstrate that there are the reactions of stock prices to earning announcements. With the difference in companies' size, the small firms appear to have the highest cumulative abnormal returns, whereas the large firms are the lowest. However, the stock prices show no significant reactions during the post-announcements. This implies that there is the value relevance to the earning announcements.

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