

Noppawan Simma 2014: Measurement of Financial Performance and Profitability Analysis in Food Industry. Master of Science (Agribusiness), Major Field: Agribusiness, Department of Agricultural and Resource Economics.
Thesis Advisor: Assistant Professor Isriya Bunyasiri, Ph.D. 76 pages.

The purpose of this research is to analyze financial performance and factors affecting the financial profitability of food and beverage industry, including 18 companies listed on the Stock Exchange of Thailand.

Financial ratios are used to analyse the financial performance using annual financial statements of each firm in food and beverage industry. The results show that the overall food and beverage industry has improvements in profitability and efficiency in accounts receivable and inventory management during 2006-2011 compared to 2000-2005. However, an increasing debt to equity ratio represents an unstable capital structure.

Fixed Effects model is used to investigate factors affecting profitability of companies in food and beverage industry. The panel data, composing the quarterly data of financial statements of 18 companies during the first quarter of 2000 and the fourth quarter of 2011, is obtained for this analysis. The empirical result show that factors that significantly determine the profitability measured by return on asset are accounts receivable turnover ratio, inventory turnover ratio, current ratio and rate of baht depreciation. These factors have positive influences on the profitability. The increasing in these variables will cause firm's profitability in the food and beverage industry to increase. The results of the study suggests that companies in food and beverage industry should emphasize the efficiency management of account receivable inventory to improve financial profitability.

Student's signature

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