

Kanatnan Thaweewat 2015: Financial Tools Development for Evaluation of Investment Projects for Small Firms. Doctor of Philosophy (Business Administration),  
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Thesis Advisor: Assistant Professor Surang Hensawang, D.B.A. 91 pages.

The purpose of this study is to develop a new valuation tools for a project of small firms which cannot maintain its Target Capital Structure. This study includes the comparison between the traditional tools and the new tools in the valuation of simulated cash flow of a small firm. In addition, this study conducts the reliability test of the new tools by examining the level of perception for both academic and practical application. Such a reliability test uses the in-depth interviews of several relevant parties including academicians in finance and economics fields, credit analysts of financial institutions, and project owners.

The result of the study demonstrates that when the project uses the net operating cash flow to repay its debt to its lenders and/or fund providers during the lifetime of the project, it is considered the same as the project reinvests that particular cash flow based on the rate of return equal to its cost of capital on that principal over the left over of project life. When comparing the value of the project according to the traditional tools and the new developed tools under the assumption of the traditional tools, both tools can give the same result. However, in the case that a project is required to repay its debt and/or pay back to its owners during the lifetime of the project, the traditional tools cannot be used since the assumption is not in line with the traditional tool's required assumption while the new tools can be effectively used with this assumption. A reliability test indicated that the above-mentioned interviews with relevant parties, interviewees also accepted the concept of the new tools. In addition, the new developed tools were consistent with both theoretical assumptions and practical application.

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Thesis Advisor's signature