Natenarin Thanormsat 2007: A Financial Feasibility Study on the Establishment of Mud Mee Silk Factory of the Bankhwao Agricultural Cooperative Limited. Master of Arts (Cooperative Economics), Major Field: Cooperative Economics, Department of Cooperative. Thesis Advisor: Associate Professor Suwanna Thuvachod, M.S. 192 pages.

The objectives of this study are 1. To study the general characteristics of the mud mee silk production process and marketing situations of members, who have own factors of production number 2. To study the general characteristics of mud mee silk production and hiring of members, who work as employees in the production process 3. To study the financial feasibility of the establishment of a mud mee silk factory of Bankhwao Agricultural Cooperative, Ltd. The study includes the sensitivity of investment under the uncertain circumstance relative to cost and benefit of the project. The financial feasibility of the project is also analyzed for a period of 15 years, at a discount rate of 7.75%

The data for analysis consisted of both primary and secondary data to reach the objectives in descriptive and quantitive terms. The primary data were collected from interviewing all 775 members by an interview schedule. Secondary data was collected from the documents of Bankhwao Agricultural Cooperative, Ltd., and relevant departments.

The results of this study indicated that the analysis of financial possibility, based upon the benchmarks as follow, net present value (NPV) is equal to 3,475,215.58 baht, benefit cost ratio (BCR) 1.11 and internal rate of return (IRR) 30.86 percent. The analysis of sensitivity for project confirmed the profit projection in 4 0f 5 case excluding the case of 10.89 percent increasing cost and 9.82 percent decreasing benefit.

Finally, the financial feasibility study indicated that a mud mee silk factory would be worthy of support by Bankhwao Agricultural Cooperative, Ltd.

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