

Naruemol Charoensri 2011: A Feasibility Study on the Investment Project in Germinated Brown Rice Business. Master of Economics (Business Economics), Major Field: Business Economics, Department of Economics. Thesis Advisor: Associate Professor Santiya Eag-ark, Ph.D. 173 pages.

A feasibility study of the investment project on germinated brown rice production business is the appropriate analysis of the investment project of germinated brown jasmine rice. The main objective of this research was to study the feasibility of germinated brown rice business investment project in 4 aspects: technical analysis, marketing analysis, financial analysis and sensitivity study of the germinated brown rice production project.

To analyze demand of germinated brown jasmine rice, we used primary data from closed questionnaires collected from 384 persons who had consumed germinated brown jasmine rice and lived in Bangkok. The study used secondary data collected from various sources to analyze, break-even analysis, sensitivity analysis, switching value test and indicator (NPV, BCR, IRR).

The results showed that this project is appropriate in 4 aspects. Demand equation for germinated brown jasmine rice is in a double log form. Demand elasticity on change in price of germinated brown jasmine rice is -0.0866. Demand elasticity on change in price that consumers are willing to pay for germinated brown jasmine rice is 0.1870. Demand elasticity on change in price of jasmine brown rice or jasmine white rice is -0.0471, therefore jasmine brown rice or jasmine white rice is a complementary good with germinated brown jasmine rice.

The quantitative break-even point of this project is 4,275,063.62 kilograms. At 10.85 percent discount rate, NPV equals to 12,024,845.28 Baht, BCR equals to 1.0433. The internal rate of return of the project equals to 29.0252 percent. The sensitivity analysis indicates that the project is appropriate in all cases. Costs and benefits of the project should not be varied more than 4.8800 and 4.6775 percent respectively so the project is still suitable for investment. The results of scenario analysis show that the project is not suitable in case of variable cost per kilogram and selling price per kilogram are varied, and the selling price is most essential factor to the success of the project.

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