

Abstract

Research Title : THE ANALYSIS OF THE RATE OF RETURN AND THE RISKS
OF THE INVESTMENT IN THE STOCK OF PROPERTY
DEVELOPMENT AND CONSTRUCTION SECTION BY
CAPITAL ASSET PRICING MODEL (CAPM)

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The objectives of this research were (1) to compare the rate of return and the risks of the investment in the securities of property development and construction section with yield and risks of the securities market SET100, (2) to study the relationship between the rate of return and the risks of the investment in the securities of property development and construction section, and (3) to assess the rate of return expectations of investments in the securities of property development and construction sections. The samples used in the research included the securities of property development and construction listed on the Stock Exchange of Thailand of 15 securities, including AP, ESTAR, ANAN, MK, LALIN, LH, LPN, PF, QH, MJD, TICON, SENA, SPALI and SIRI. The data used for the study was divided into two parts: (1) the closing price of the securities market SET100 and the closing price of the securities of property development and construction section, and (2) yield of the government bonds 1 month yields average annual 2.40% replacements of the securities without risks (Risk Free Rate). The instruments used in data collection were (1) from the calculation of the rate of return and the risks of the investment in the securities of property development and construction section of 15 securities with yields of the securities without risks (Risk Free Rate) by the yields of the government bonds 1 month from July

2010 to June 2015 the average rate for 1 month to compared with the investment in the securities market SET100 during the same period. (2) The data was also from asset pricing theory (CAPM) using secondary data from July 2010 to June 2015 for a total period of 60 months, which collected from the website of the Stock Exchange of Thailand used to calculate the yield.

The results yield and the risks of the investment in the securities of property development and construction section comparison yields and the risks of the securities market SET100 found that, (1) the securities that yield the highest returns ESTAR by an average of 28.57% per year, and the securities at the lowest return was SIRI the average return is 1.81 % per year, the risks of the securities of property development and construction of the securities with the highest risk of PF are the risks at 18.33 %, and the securities with the lowest risk is the risk that is 2.68 %, the yield of the securities market SET100 average of 13.69 % per year. However, the risk of market stood at 4.91%, and (2) the stock of property development and construction section, with the β more than 1 of 11 securities, including QH, TICON, PF, MJD, LH, SPALI, SIRI, AMATA, ESTAR, AP and LPN showed that the change in the yield of the securities will change the dynamics of the market rate of return in the same direction as aggressive stock. The securities of development and construction, with the β less than 1 of 4 securities, including MK, LALIN, SENA and A showed that the change in the yield of the securities will fluctuate less than the change in the yield of the securities market in the same direction a defensive stock. (3) In addition, was the rate of return expected from the investments in the securities of property development and construction section using theoretical pricing of the securities (CAPM). It can be seen that the securities of property development and construction section of 11 securities, including QH, TICON, PF, MJD, LH, SPALI, SIRI, AMATA, ESTAR, AP and LPN valuable β more than 1 with a higher risk than the stock market at the moment. The expectation of the same rate of return on the investment showed that the rate of return from the investment in the securities of development and construction section is similar to the risks of the investment in the securities of property development and construction (High risk high return). The securities of property development and construction section, the β was less than 1 of 4 securities, including MK, LALIN, SENA and A was less risk than the securities markets SET100 while the rate of return expected from the investments was less than the securities market SET100.

The test of hypothesis found that the evaluation of the the rate of return and the risks of the securities of property development and construction section were in the same direction that securities with high risk (higher β value) the high expected rate of return. And securities with low risk (the lower β) showed lower expected rate of return. This is consistent with the theoretical stock price (CAPM).