

Title : An Analysis of Costs and Rate of Return on
Investment for Sisal Production
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This Thesis aims at the analysis of costs and rate of return on investment for sisal production of both fresh leaf and sisal rope in 1992 crop year.

The analysis was made on average cost, average income of sisal production of different ages with 2 sizes of cultivation area. The small size 2-15 rais, and the large size is greater than 15 rais. The size 5 and 30 rais are selected to represent the small size and the large one, respectively.

The study found that the average cost for 7 years of sisal production of the large size was 9,234.58 Baht/rai, while that of the small one was 9,945.80 Baht/rai. The average cost of the large size was 711.22 Baht/rai less than that of the small one.

Pay Back period for the large one was 4 years and 3 months, and for the small one was 4 years and 8 months. The net present values

at the return rate of 11.50% were 69,651.23 Baht and 9,162.76 Baht for the large size and the small size, respectively. The internal rates of return were 35.22% for the large size and 28.17% for the small size.

There are only 2 factories in Thailand producing sisal rope. The large size have full capacity of 960 m.t/year, and the small size have full capacity of 500 m.t/year.

The average cost of sisal rope of the large size was 14.90 Baht/kg., while that of the small size was 16.16 Baht/kg., Based on the selling price of 36 Baht/kg., the net returns, after deducting the income tax of 30%, of the large size was 31.74% and of the small size was 30.03%. The internal rates of return were 44.44% for the large size and 34.93% for the small size. It was also found that the two factories have the rates return on investment more than discounted rate 16%.