

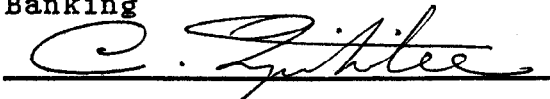
Title : Rate of Return on Educational Investment
of Graduate Studies in a Private
University : A Case Study of Siam
University

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The purpose of this study is to analyze the private rate of return to educational investment of graduate studies in Master of Business Administration, Master of Engineering in Engineering Management and Master of Arts Communication Arts at Siam University. The results of the study will be useful for administrator to make decision on educational policy of graduate studies in the private universities. The population use in this study are 364 graduate students who have studied in the three curriculum study in the academic year 1991-1992. Analyzing of the data is based on the benefit-cost analysis by the calculation of the net present value (NPV), the benefit-cost ratio (B/C ratio) and the internal rate of return (IRR). Besides, there are the sensitivity analysis if the benefits and the costs change to happen. It is, however, the benefits of these educational investment are worthwhile as compare to their costs.

The results of this research revealed that :

1. The total cost of investment in education for graduate studies in Master of Business Administration, Master of Engineering in Engineering Management and Master of Arts in Communication Arts are averaged per person for the entire courses are 369,441.87, 370,665.00 and 374,815.33 baht, respectively.

2. The private net present values of education in Master of Business Administration, Master of Engineering in Engineering Management and Master of Arts in Communication Arts are calculated from the income after tax of the civil servant are 496,334.52, 495,584.13 and 489,989.93 baht, respectively while from the income after tax of state enterprise are 727,130.51, 726,380.12 and 720,785.91 baht, respectively.

3. The private benefit-cost ratio of education in Master of Business Administration, Master of Engineering in Engineering Management and Master of Arts in Communication Arts are calculated from the income after tax of the civil servant are 2.59, 2.58 and 2.54, respectively while from the income after tax of state enterprise are 3.33, 3.32 and 3.26, respectively.

4. The private internal rate of return on education in Master of Business Administration, Master of Engineering in Engineering Management and Master of Arts in Communication Arts are calculated from the income after tax of the civil servant are 24.43, 24.40 and 23.97 percent, respectively while from the income after tax of

state enterprise are 28.09, 28.06 and 27.57 percent, respectively.

5. The sensitivity analysis of the three cases: first, the costs are increased by 15 percent and the benefits are held constant; second, the benefits are reduced by 15 percent and the costs are kept constant; and third the costs are increased by 15 percent and the benefits are reduced by 15 percent simultaneously in Master of Business Administration, Master of Engineering in Engineering Management and Master of Arts in Communication Arts. The results found that the private net present value of education of the three courses are positive. The private benefit-cost ratio of education of the three courses are more than one and the private internal rate of return on education of the three courses, are higher than the discount rate or the opportunity cost of capital in all cases.