

Title : A Financial Cost Benefit Analysis on Bored Pile Industry:  
A Comparative Study among Different Sizes  
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Construction industry is one of the important economic sectors with a high growth rate. In construction point of view, firm foundation is essential for any kind of buildings, especially those of the very high and very large ones. Piling is used to make the foundation strong. Originally, wooden piles have been used for very small building's foundations which can carry only limited loads. In order to standardize the pile industry there have been improvement in reinforced concrete pile, prestressed concrete pile, steel pile, and reinforced concrete bored pile.

Bored piles are used for very high loaded foundation beyond the capabilities of other type of piles. At the present time demand for bored piles grows very rapidly to serve the ever increasing high-rise buildings which are developed for reducing fixed costs of the lands in urban area.

The main objective of this research is to study the structure of both production and marketing of bored pile industry. The study will also be conducted to compare the costs and benefits of the bored pile industry of different sizes. The primary data used in this study was

obtained from interviewing 12 sample firms out of the total of 26 firms which were willing to cooperate. They were asked about marketing problems, income, product prices, production conditions and costs of the bored piles. In depth interviews were also undertaken to gather further informations on production costs and return on investment from 3 firms arbitrarily selected for representing large, medium, and small firms. The secondary data was obtained from the balance sheets of the sample firms and documents concerning the production and marketing of the bored pile industry.

The assets of a firm were used to determine the firm size. A large firm would have assets of over 100 millions baht. Assets of 50-100 millions baht would be classified as medium-size. A firm would be called small if it had assets of less than 50 millions baht. In conducting the research, one firm of each size were chosen by purposive sampling method.

This study based on two assumptions, namely : (1) Financial returns on large firms in greater than medium firms and that of medium firms is greater than small firms. (2) All firm sizes of the bored pile industry promise reasonable financial returns.

In the case of internal rate of return (IRR) and benefit cost ratio (B/C ratio), it was found that the rate on investment of large firm was higher than that of small firm and that of small firm was better than medium firm. When considering the net present value (NPV), it was found that the net present value of the large firm was better than that of medium firm and the NPV of medium firm was better than that of small firm. For the question of payback period, the findings showed that the small firm had the shortest payback period while the medium firm had the longest payback period.