

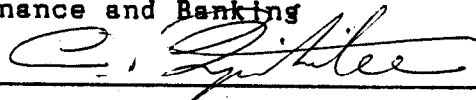
Title : A Comparative Study of Financial Efficiency of  
Sawankhalok with Muang Sawan Agricultural  
Cooperatives, 1975 - 1989

By : Mr. Jamrat Ungsriwong

Degree : Master of Business Administration

Major Field : Finance and Banking

Thesis Advisor :



(Chuchee Piputsitee)

D.B. / N.S. 12534.

Sawankhalok and Muang Sawan agricultural cooperatives are the same type of cooperatives which are located in Amphoe Sawankhalok Changwat Sukhothai. Their objectives are to help bettering farmers' standard of living.

This study compares the financial efficiency of the two cooperatives. The main objectives are three folds, namely: to compare the financial efficiency regarding factors that lead to the success and failure; to assess impact and trend of relationship between financial efficiency and number of the member; and to recommend the way for improving financial efficiency of the cooperatives in the future.

Methodology of the study is a percentage analysis using data from two sets of questionnaire, one is for 25 members of

the working committee of the two agricultural cooperatives another one is for 105 members of the two cooperatives. Financial ratios are utilized as the analytical tools based on financial data of the two cooperatives during the period of 1975-1989. Furthermore, the relationship between financial efficiency and attitudes of both members of the working committee of the cooperatives and members of the two agricultural cooperatives are determined as well.

Results of the study revealed that (1) Muang Sawan agricultural cooperative had working capital and liquidity ratios higher than Sawankhalok agricultural cooperative, (2) Sawankhalok agricultural cooperative had member equity to term liabilities and fix assets to term liability higher than Muang Sawan agricultural cooperative while the latter had debt of leverage ratios higher than the former, (3) Muang Sawan agricultural cooperative had inventory turnover and account receivable higher than Sawankhalok agricultural cooperative while the latter had receivable to current assets, member equity fo fixed assets and investment and sale turnover fo fixed assets employed higher than the former, and (4) Sawankhalok agricultural cooperative had gross margins higher than Muang Sawan agricultural cooperative while the latter had sale to expense and return of fixed assets higher than the former in an overall view.

The analytical results based on the data from the

questionnaires regarding the knowledge and understanding of cooperative principle, royalty, trust and belief, unity, sacrification, member of the working committee, and member of the two agricultural cooperatives, Muang Sawan agricultural cooperative expressed better attitudes than Sawankhalok agricultural cooperative.

The trend of relationship between financial efficiency and number of cooperative members showed that factors affecting the success are the member's participation, sense of belonging, royalty, unity and sacrification toward the organization. Besides, the members played the important role in persuading the outsiders to be member of the cooperatives. Muang Sawan agricultural cooperative performed more satisfactory than Sawankhalok agricultural cooperative on these matters, as expected that an increase or decrease in numbers of the member was related to financial efficiency and attitudes of those who belong to the organization.

To sum up, factors that led to the success were resulted from the coordination and joint effort among the management staffs, the committee and the members who knew and understood the cooperative principle. Moreover, the agricultural cooperatives should promote their activities on credit, deposite, purchase and sale, and dissemination of the cooperative knowledges which were the main trust toward the development and prosperity of the agricultural cooperatives.