

**A study on the relationship between financial performance and corporate investment of hotel and travel companies listed on the stock exchange of Thailand (SET)**  
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**Abstract**

The overall objective of this research was to examine the relationship between financial performance and corporate investment decision. In order to understand the relationship among these variables, relevant theories and concepts were reviewed to create the theoretical and conceptual frameworks. The sample data received from the statistical analyses of eleven hotel and travel companies listed on The Stock Exchange of Thailand (SET) was adopted. Six consecutive years' data during 1999-2004 was gathered to conduct this study.

The data have been analyzed by using the Statistical Package for Social Science (SPSS) program for Windows Version 11.5, Descriptive Statistics, Correlation Coefficients and Multiple Linear Regression. The main independent variables were liquidity, financial leverage, profitability, and growth opportunities and the dependent variable was corporate investment decision.

Financial factors of this study were indicated by quick ratio, long-term debt to-equity ratio, net profit margin, basic earnings power, return on common equity and market-to-book ratio. Corporate investment decision was measured by growth in property, plants, and equipment. The results of this study depicted that there were no significant relationship between liquidity, financial leverage, and profitability with the growth in property, plants, and equipment at statistically significant at 5% level. However, there was only a significant relationship between growth opportunities and the growth in property, plants, and equipment in this research.