

## ABSTRACT

This study attempts to examine the relationship between financial leverage, growth opportunities and industry classification of Thai Stock-Listed Companies. The study examines data of non-financial listed companies on the Stock Exchange of Thailand from the period of 1998 to 2001, and focuses on 68 firms. The research separates the samples into two groups based on their Tobin's Q being greater or less than 1. Then, using growth opportunities variable as a dependent variable, and financial leverage, industry dummy as independent variables, Tobin's Q is used as the intervening variable.

Based on the Pearson Correlation and Multiple Regression analyses, the empirical results reveal that industry classification does not influence the companies' growth opportunities during 1998 and 2001. In other words, the correlation between industry and growth is statistically insignificant for sample Thai companies. However, financial leverage has a positive significant relationship with corporate growth if its Tobin's Q is greater than 1, but although there is a negative relationship between financial leverage and growth opportunities when Tobin's Q is less than 1, it is insignificant.

This study can be applied into studying corporate financing behavior and conducting further research.