FACTORS INFLUENCING ON SPECULATION IN INVESTMENT AND INVESTMENT PROPERTY OF THE LISTED COMPANIES ON THE STOCK EXCHANGE OF THAILAND

Prapaipit Sawatrum
Faculty of Management Sciences, Kasetsart University

Patsara Pongsukvajchakul
Faculty of Management Sciences, Kasetsart University

ABSTRACT

This research aimed 1) to explore proportions of speculation in investment and investment property; and 2) to specify factors influencing on speculation in the investment and investment property of the listed companies on the Stock Exchange of Thailand. Secondary data from financial statements of the listed companies on the Stock Exchange of Thailand were collected in the accounting periods from 1 January to 31 December 2011-2015, excluding banks, trust companies, insurance companies, and assurance companies. Variables were tested for any relationships using the Simple Regression Analysis, One-way ANOVA, and Multiple Regression Analysis - Stepwise.

The results revealed that 1) the listed companies on the Stock Exchange of Thailand speculated mostly in long-term investment (48.60%; N = 2,033) followed by short-term investment (27.21%; N=1,138) and investment property (24.19%; N= 1,012) respectively. 2) The factors influencing on speculation in the short-term investment, long-term investment, and investment property were size of company, net cash flow from operations, and net profit margin ratio. The factors having opposite influences were debt to equity ratio, net cash flow from operations, revenue, and net profit margin ratio.

Keywords: Short-term investment, Long-term investment, Investment property, The Stock Exchange of Thailand

Introduction

National economy is a key factor affecting to operations of entrepreneurs. Nowadays, the growth of the national economy is decreasing due to the dying global economy. Technological changes in the Digital Age 4.0, trading barriers and competitions, and investment of the United States of America and its trading partners, particularly China, cause the entrepreneurs to adapt for business stability and existence. The entrepreneurs can't just rely on profits from business operations for production costs of labor, fuel, raw materials, etc. are increasing. To obtain more income, add more values, and maintain financial status of business, the entrepreneurs may speculate in other forms of investment for returns of interest or dividend. Or they might purchase gold, foreign currencies, or properties such as land or buildings for speculation or rental.

Investment is an asset an enterprise has to increase wealth to its business. The wealth appears in various returns such as interest, royalty, dividend, increased prices, and other benefits. As cited in Thailand Federation of Accounting Professions (2016), there are several types of investment: trading securities, available-for-sale, held to maturities securities, and general investment. Investment in properties involves two forms: buying properties for sale when prices are increased to get profits and buying properties as inheritance or for rental to get long-term income. When speculating in securities or properties, the listed companies on the stock market need to report data in financial statements. For the trading securities and available-for-sale, fair values are reported. For the general investment, cost prices are indicated. Amortized costs are revealed for the held to maturities securities. For the investment property, cost prices and fair values are displayed. All these data reflect an enterprise's real status (Thailand Federation of Accounting Professions, 2017).

Due to fluctuation of the growing national economy, the listed companies on the Stock Exchange of Thailand must figure out ways to increase their income whether to speculate in securities or properties for short-term and long-term returns such as interest, dividend, and rental fee. Realizing the importance of earning more

income besides an enterprise's revenue, in this study, the researcher explored proportions of speculation in investment and investment property and specified factors influencing on speculation in the investment and investment property of the listed companies on the Stock Exchange of Thailand. The results of the study will enable an enterprise to improve and develop its business operations as well as to increase effectiveness in speculation of the listed companies on the Stock Exchange of Thailand. The body of knowledge gained will also be beneficial to the study in the fields of finance and accounting.

Objectives

1. To explore proportions of speculation in investment and investment property of the listed companies on the Stock Exchange of Thailand.

2. To specify factors influencing on speculation in investment and investment property of the listed companies on the Stock Exchange of Thailand.

Literature Review

Business investment involves buying assets in order to operate business and gain income. Saving money or bank loan is invested in capital goods such as machines, equipment, and property assets to produce goods and services which meet consumers' needs (Thailand Security Institute, The Stock of Exchange Thailand, 2005). For a real estate, it can be a residence or be sold for profits. Other properties such as land, condominium, office, factory are assets for investment (The Securities and Exchange Commission, 2013). According to Meeampol (2013), investors are likely to invest in properties such as land and buildings in order to get rental income or to add values to their assets or both. In addition, there is an investment in securities which includes buying assets in the form of securities such as bond, debenture stock, or capital stock. When selling, their returns are interest, dividend, or profit (loss) depending on a risk. However, investors usually choose an investment which highly returns them at a certain level of risk (Thailand Security Institute, The Stock of Exchange Thailand, 2005). As stated in Meeampol (2013), there are four groups of securities. Securities for trade are debt securities

or equities an enterprise commonly buys and sells for profits. Securities for sale include debt securities or equities an enterprise buys but unnecessarily sells, so they are regarded as available-for-sale. Debt securities are securities an enterprise holds until they are due. An enterprise has no plan to sell or transfer the debt securities to other types. General investment includes equities that are not in a market's demand. It can't be regarded as an investment in a joint venture or a subsidiary company for it has no effect on business policies.

Based on investment theories and related studies, speculation involves buying properties for returns of rental fee and profit and buying securities such as debt securities, financial instruments, mutual fund, gold fund, etc. for returns of interest, dividend, and profit. The purposes of speculation are investment securities, income stability, investment proliferation, and immediate capability in changing to cash.

According to Akarachayanan et al. (2014), several factors influencing on speculation are income, net profit, net profit margin ratio, earnings per share, and return on equity. Income has an effect on forms of speculation such as financial instruments, derivatives, and other securities. The factors resulting to decision in buying or selling short-term stocks of investors in the Stock Exchange of Thailand are net profit margin ratio and income. Other influential factors regarding financial statements are return on equity and earnings per share (Pumalee & Teeravaraprug, 2013. Moreover, Sawatrum (2013) noted that cash ratio indicates an enterprise's capability in paying a short-term debt from available cash without using other short-term assets. The researcher realized that if an enterprise has the leftover cash after paid debts, it may invest this available cash in other forms of speculation for returns. As debt to equity ratio indicates a relationship between total liability and owner's equity, the researcher realized that if the owner's equity is more than the liability, an enterprise is likely to invest in other forms of speculation. Thus, the debt to equity ratio is another factor influencing on business investment.

From the aforesaid theories and concepts, the conceptual framework of this study was shown below.
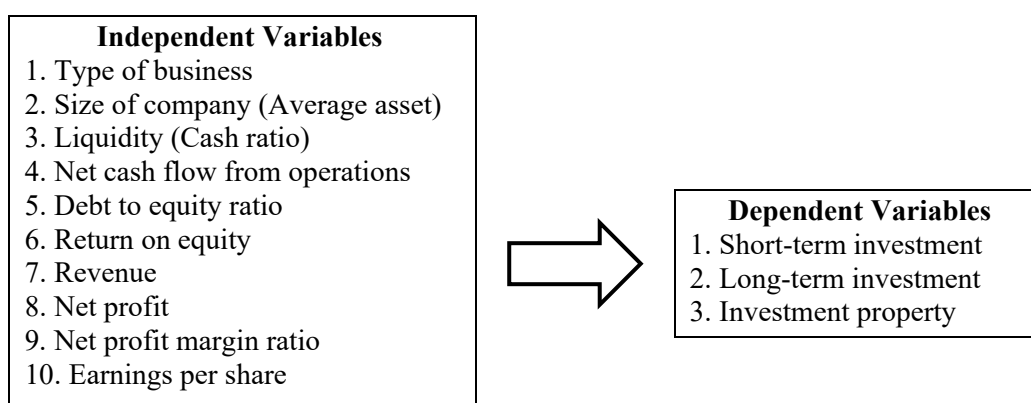
Figure 1 Conceptual Framework

Methodology

Data collection - Secondary data were collected from the SET Marketing Analysis and Reporting Tool (SETSMART) in the accounting periods from 1 January to 31 December 2011-2015. Except for banks, finance and security companies, life insurance companies, and insurance companies, the collected data of the listed companies on the Stock Exchange of Thailand were revenue, gross profit, net profit, earnings per share, cash and cash equivalents, short-term investment, long-term investment, investment property, total assets, current liabilities, non-current liabilities, shareholder's equity, net income, and cash flow from operations. The study involved four steps.

Step 1 Collect data from the SETSMART.
Step 2 Verify the collected data.
Step 3 Codify the data collected.
Step 4 Summarize and analyze the results of the analysis.

Population - The listed companies on the Stock Exchange of Thailand with the accounting periods of 1 January to 31 December of 2011-2015 were the population of this study. The companies in the Market Alternative Investment (MAI) were not used in this study.

Sample - The sample included 564 listed companies on the Stock Exchange of Thailand with the accounting periods of 1 January to 31 December of 2011-2015. This excluded banks, finance and security companies, life insurance companies, and insurance companies due to their distinguished attributes and insufficient data for the study.

Data testing for the Multiple Regression analysis - To avoid multicollinearity using the correlation matrix, Pearson Correlation was used to analyze relationships between variables. If a correlation value is more than 0.80, it indicates high correlation coefficients between two-paired independent variables called multicollinearity (Berry and Feldman, 1985). Independent variables were also tested for their incongruity using Tolerance if a value is not less than 0.200 and using Variance Inflation Factor (VIF) if a value does not exceed 5.00. The testing was conducted to verify that there was no relationship between the independent variables, causing no multicollinearity. Thus, the collected data were proper for the Multiple Regression analysis (Hair et al., 2010).

Data analysis - The data were analyzed using the descriptive statistics such as frequency, percentage, minimum, maximum, mean, and standard deviation to explain information listed on tables. For the inferential statistics, One-way ANOVA was used to analyze differences of factors influencing on speculation in investment and investment property. To analyze the factors influencing on speculation in the short-term investment, long-term investment, and investment property, the Multiple Regression - Stepwise was used with the equation as follows.

$$
\begin{aligned}
Y(INV)_{i,t} = {} & \beta_0+\beta_1(TB1)_{i,t}+\beta_2(TB2)_{i,t}+\beta_3(TB3)_{i,t}+\beta_4(TB4)_{i,t}+\beta_5(TB5)_{i,t} \\
& +\beta_6(TB6)_{i,t}+\beta_7(TB7)_{i,t}+\beta_8(TA)_{i,t}+\beta_9(CR)_{i,t}+\beta_{10}(CFO)_{i,t}+\beta_{11}(DER)_{i,t} \\
& +\beta_{12}(ROE)_{i,t}+\beta_{13}(MR)_{i,t}+\beta_{14}(NP)_{i,t}+\beta_{15}(NPG)_{i,t}+\beta_{16}(EP)_{i,t}+\varepsilon
\end{aligned}
$$

INV= Form of Speculation (SIV = Short-term investment, LIV = Long-term investment, and IP = Investment property); β_0 = Constant; $\beta_1..,\beta_{17}$ = Regression coefficients of variables 1-6 ; TB1 = 1 for Agro and Food Industry; if not, 0; TB2 = 1 for Resources; if not, 0; TB3 = 1 for Technology; if not, 0 ; TB4 = 1 for Services; if not, 0; TB5 = 1 for Industrials; if not, 0; TB6 = 1 for Consumer Products; if not, 0; TB7 = 1 for Property and Construction; if not, 0; TA_{it} = Size of Company i at the time t ; CR_{it} = Cash ratio of Company i at the time t ; CFO_{it} = Net cash flow from operations of Company i at the time t ; DER_{it} = Debt to equity ratio of Company i at the time t ; ROE_{it} = Return on equity of Company i at the time t ; MR_{it} = Revenue of Company i at the time t ; NP_{it} = Net profit of Company i at the time t ; NPG_{it} = Net profit margin ratio of Company i at the time t ; EP_{it} = Earnings per share of Company i at the time t ; ε = Error

Note: 1. SIV, LIV, IP, TA, MR, and CFO were measured by natural logarithms.

2. CR, DER, ROE, NP, NPG, and EP were measured by the actual data.

3. TB1, TB2, TB3, TB4, TB5, TB6, and TB7 were measured by dummy variables.

Results of the Study

Table 1 Types and numbers of the listed companies on the Stock Exchange of Thailand 2011-2015

Type of Business	No. of Companies	Percentage	No. of Data (N)	Percentage
1. Agro and Food Industry	58	10.28	258	9.91
2. Resources	51	9.04	226	8.68
3. Technology	46	8.16	224	8.60
4. Services	133	23.58	606	23.27
5. Industrials	120	21.28	554	21.27
6. Consumer Products	48	8.51	232	8.91
7. Property and Construction	108	19.15	504	19.35
Total	564	100.00	2,604	100.00

According to Table 1, of the seven types of business, the Services (N=133; 23.58%) were the most listed companies on the Stock Exchange of Thailand, followed by the Industrials (N=120; 21.28%). The Consumer Products (N=48; 8.51%) were the least listed companies on the Stock Exchange of Thailand. Likewise, data collected in this study were mostly from the Services companies (N=606; 23.27%), followed by the Industrials companies (N=554; 21.27%). Data from the Technology companies (N=224; 8.60%) were collected the least.

Table 2 Proportions of Speculation of the Listed Companies on the Stock Exchange of Thailand

Type of Business	Short-term Investment		Long-term Investment		Investment Property		Total	
	No.	%	No	%	No	%	No	%
1. Agro and Food Industry	91	21.56	221	52.37	110	26.07	422	10.09
2. Resources	118	29.80	189	47.73	89	22.47	396	9.47
3. Technology	103	33.23	187	60.32	20	6.45	310	7.41
4. Services	293	31.10	468	49.68	181	19.21	942	22.52
5. Industrials	191	25.74	382	51.48	169	22.78	742	17.74
6. Consumer Products	93	23.19	190	47.38	118	29.43	401	9.59
7. Property and Construction	249	25.67	396	40.82	325	33.51	970	23.19
Total	1,138	27.21	2,033	48.60	1,012	24.19	4,183	100.00

According to Table 2, the listed companies on the Stock Exchange of Thailand speculated mostly in the long-term investment (N=2,033; 48.60%), followed by the short-term investment (N=1,138; 27.21%). The investment property was speculated the least (N=1,012; 24.19%). Meanwhile, all business types were found to speculate mostly in the long-term investment, especially the Technology companies (N=187; 60.32%) and the Agro and Food companies (N=221; 52.37%). The Technology companies speculated the least in the investment property (N=20; 6.45%).

Table 3 Analysis of Variance between Types of Business and Forms of Speculation

		Degree of Freedom	Sum of Squares	Mean Square	F-value	Sig.
Short-term Investment	Between groups	6	86.250	14.375	1.344	0.235
	Within groups	1,131	12,098.907	10.698		
	Total	1,137	12,185.157			
Long-term Investment	Between groups	6	697.899	116.316	19.969	0.000
	Within groups	2,026	11,800.871	5.825		
	Total	2,032	12,498.769			
Investment Property	Between groups	6	549.539	91.590	24.570	0.000
	Within groups	1,005	3,746.360	3.728		
	Total	1,011	4,295.899			

According to Table 3, the overall findings revealed that types of business resulted to differences in forms of speculation at the statistical significance level of 0.05. The types of business significantly affected to different forms of speculation in the long-term investment and the investment property at the statistical level of 0.05. However, the types of business had no significant effect to different forms of speculation in the short-term investment at the statistical level of 0.05.

The Multiple Regression equation of the factors influencing on speculation in the short-term investment of the listed companies on the Stock Exchange of Thailand was as follows.

$$Y(SIV)_{it} = \beta_0 + \beta_1(TB1)_{it} + \beta_2(TB2)_{it} + \beta_3(TB3)_{it} + \beta_4(TB4)_{it} + \beta_5(TB5)_{it} + \beta_6(TB6)_{it} + \beta_7(TB7)_{it} + \beta_8(TA)_{it} + \beta_9(CR)_{it} + \beta_{10}(CFO)_{it} + \beta_{11}(DER)_{it} + \beta_{12}(ROE)_{it} + \beta_{13}(MR)_{it} + \beta_{14}(NP)_{it} + \beta_{15}(NPG)_{it} + \beta_{16}(EP)_{it} + \varepsilon$$

Table 4 Outcome of the Regression Analysis in Predicting Factors Influencing on Speculation in the Short-term Investment of the Listed Companies on the Stock Exchange of Thailand using the Multiple Regression Analysis - Stepwise

Factors	B	SE_b	Beta	T	p-value	Tolerance	VIF
CFO	0.404	0.091	0.223	4.421	0.000	0.385	2.599
DER	-0.004	0.001	-0.127	-3.926	0.000	0.936	1.069
TA	0.502	0.108	0.237	4.650	0.000	0.376	2.660
TB2	-0.670	0.365	-0.062	-1.834	0.067	0.870	1.150
TB6	1.245	0.376	0.111	3.313	0.001	0.878	1.139
TB1	1.020	0.374	0.090	2.727	0.007	0.898	1.114
TB4	0.636	0.251	0.087	2.532	0.012	0.833	1.201
R = 0.427 ; R2 = 0.182 ; Adjusted R2 = 0.175 ; p-value = 0.001							
Constant -1.669 ; SEest= ±2.964							

Note 1. Tolerance should not less than 0.200. ; VIF should not exceed 5.00.

2. CFO = Net cash flow from operations ; DER = Debt to equity ratio ; TA = Size of company ;
   TB1 = Agro and Food Industry ; TB2 = Resources ; TB4 = Services ; TB6 = Consumer Products

According to Table 4, the Multiple Regression Analysis indicated the coefficient of 0.427 at the statistical significance level of 0.001. The factors influencing on speculation in the short-term investment of the listed companies on the Stock Exchange of Thailand were predicted at the percentage of 18.20 with the standard error of ± 2.964. The results were as follows.

1. Net cash flow from operations and three business types which were the Consumer Products, the Agro and Food, and the Services Industry companies had positive relationships to the short-term investment at the statistical significance level of 0.01 with the coefficients of 0.404, 0.502, 1.245, 1.020 and 0.636 respectively.

2. Debt to equity ratio had a negative relationship to the short-term investment at the statistical significance level of 0.01 with the coefficients of -0.004.

The equation predicting factors influencing on speculation in the short-term investment of the listed companies on the Stock Exchange of Thailand was as follows.

$$Y(SIV)_{i,t} = (1.669)+0.404CFO+(0.004)DER+0.502TA+(0.67)TB2+1.245TB6+1.02TB1+0.636TB4$$

The Multiple Regression equation of the factors influencing on speculation in the long-term investment of the listed companies on the Stock Exchange of Thailand was as follows.

$$Y(LIV)_{it} = \beta_0+\beta_1(TB1)_{it}+\beta_2(TB2)_{it}+\beta_3(TB3)_{it}+\beta_4(TB4)_{it}+\beta_5(TB5)_{it}+\beta_6(TB6)_{it}+\beta_7(TB7)_{it}+\beta_8(TA)_{it}+\beta_9(CR)_{it}+\beta_{10}(CFO)_{it}+\beta_{11}(DER)_{it}+\beta_{12}(ROE)_{it}+\beta_{13}(MR)_{it}+\beta_{14}(NP)_{it}+\beta_{15}(NPG)_{it}+\beta_{16}(EP)_{it}+\varepsilon$$

Table 5 Outcome of the Regression Analysis in Predicting Factors Influencing on Speculation in the Long-term Investment of the Listed Companies on the Stock Exchange of Thailand using the Multiple Regression Analysis - Stepwise

Factors	B	SE_b	Beta	T	p-value	Tolerance	VIF
TA	1.764	0.053	1.086	33.005	0.000	0.257	3.896
MR	-0.420	0.049	-0.285	-8.668	0.000	0.302	3.311
CFO	-0.245	0.041	-0.182	-5.996	0.000	0.882	1.134
TB7	-0.629	0.119	-0.094	-5.283	0.000	0.878	1.138
TB5	-0.361	0.108	-0.060	-3.349	0.001	0.827	1.210
NPG	0.006	0.002	0.045	2.482	0.013	0.890	1.123
TB6	-0.334	0.143	-0.041	-2.339	0.019	0.257	3.896
R = 0.774 ; R^2 = 0.600 ; Adjusted R^2 = 0.598 ; p-value = 0.001							
Constant -4.659 ; SE_est = ± 1.554							

Note 1. Tolerance should not less than 0.200. ; VIF should not exceed 5.00.

2. TA = Size of company ; MR = Revenue ; CFO = Net cash flow from operations ; NPG = Net profit margin ratio ; TB5 = Industrials ; TB6 = Consumer Products ; TB7 = Property and Construction

According to Table 5, with the Multiple Regression coefficient of 0.774 at the statistical significance level of 0.001, factors affecting to speculation in the long-term investment were predicted at the percentage of 60 with the standard error of ± 1.554. The results were as follows.

1. Size of company and net profit margin ratio had positive relationships to the long-term investment at the statistical significance level of 0.01 with the coefficients of 1.764 and 0.006 respectively.

2. Revenue and net cash flow from operations of the Property and Construction, the Industrials, and the Consumer Products had negative relationships to the long-term investment at the statistical significance level of 0.01 with the

coefficients of -0.42, -0.245, -0.629, -0.361, and -0.334 respectively.

The equation predicting factors influencing on speculation in the long-term investment of the listed companies on the Stock Exchange of Thailand was as follows.

$$Y(LIV)_{i,t} = (4.659)+1.764TA+(0.42)MR+(0.245)CFO+(0.629)TB7+(0.361)TB5+0.006NPG+(0.334)TB6$$

The Multiple Regression equation of the factors influencing on speculation in the investment property of the listed companies on the Stock Exchange of Thailand was as follows.

$$Y(IP)_{it} = \beta_0+\beta_1(TB1)_{it}+\beta_2(TB2)_{it}+\beta_3(TB3)_{it}+ \beta_4(TB4)_{it}+\beta_5(TB5)_{it}+\beta_6(TB6)_{it}+ \beta_7(TB7)_{it}+\beta_8(TA)_{it}+\beta_9(CR)_{it}+\beta_{10}(CFO)_{it} +\beta_{11}(DER)_{it}+\beta_{12}(ROE)_{it}+\beta_{13}(MR)_{it}+ \beta_{14}(NP)_{it}+\beta_{15}(NPG)_{it}+\beta_{16}(EP)_{it}+\varepsilon$$

Table 6 Outcome of the Regression Analysis in Predicting Factors Influencing on Speculation in the Investment Property of the Listed Companies on the Stock Exchange of Thailand using the Multiple Regression Analysis - Stepwise

Factors	B	SE_b	Beta	T	p-value	Tolerance	VIF
TA	1.166	0.072	0.840	16.111	0.000	0.296	3.376
MR	-0.399	0.061	-0.329	-6.499	0.000	0.314	3.181
TB7	0.731	0.161	0.153	4.535	0.000	0.709	1.411
TB3	1.806	0.512	0.101	3.525	0.000	0.972	1.029
TB4	0.521	0.161	0.102	3.237	0.001	0.814	1.228
NPG	-0.007	0.002	-0.087	-2.870	0.004	0.870	1.149
DER	-0.001	0.000	-0.075	-2.518	0.012	0.914	1.094
R = 0.664 ; R^2 = 0.441 ; Adjusted R^2 = 0.436 ; p-value = 0.001 Constant -0.592 ; SE_{est}= ±1.586							

Note 1. Tolerance should not less than 0.200. ; VIF should not exceed 5.00
2. TA = Size of company ; MR = Revenue ; NPG = Net profit margin ratio ; DER = Debt to equity ratio ; TB3 = Technology ; TB4 = Services ; TB7 = Property and Construction

According to Table 6, with the Multiple Regression coefficient of 0.664 at the statistical significance level of 0.001, factors affecting to speculation in the investment property were predicted at the percentage of 44.10 with the standard error of ± 1.586. The results were as follows.

1. Size of company and three business types which were the Property and Construction, the Technology, and the Services had positive relationships to speculation in the investment property at the statistical significance level of 0.01 with the coefficients of 1.166, 0.731, 1.806, and 0.521 respectively.

2. Revenue, net profit margin ratio, and debt to equity ratio had negative relationships to the investment in properties at the statistical significance level of 0.01 with the coefficients of 0.399, -0.007 and -0.001 respectively.

The equation predicting factors influencing on speculation in the investment property of the listed companies on the Stock Exchange of Thailand was as follows.

$$Y(IP)_{i,t} = (0.592)+1.166TA+(0.399)MR+ 0.731TB7+1.806TB3+0.521TB4+ (0.007)NPG+(0.001)DER$$

Summary and Discussion

The types of business resulted to different forms of speculation in the short-term investment, long-term investment, and investment property at the statistical significance level of 0.05. Consistent with the Thailand Securities Institute (TSI) (2006), depending on needs and environment, investors have different investment purposes such as to earn income or to get profits from selling securities or both.

The factor influencing on speculation in the short-term investment, long-term investment, and investment property of the listed companies on the Stock Exchange of Thailand was the size of company which is measured by total assets. With a positive effect, if the total assets of the company are increasing, there is an increasing speculation in the short-term investment, long-term investment, and investment property. Compatible with the TSI (2005), investors often have a goal in managing and increasing their capital for a better and longer speculation. According to Henchochaichana & Srijunpetch (2011), assets are resources which can bring an enterprise direct and indirect current cash. The assets can also be used in production or in exchange for others. Thus, if a company has an increasing asset, it may increasingly speculate in the short-term investment, long-term investment, or investment property.

The factor negatively influencing on speculation in the short-term investment and investment property was the revenue. The debt to equity ratio had a negative effect to speculation in the short-term investment and investment property of the listed companies on the Stock Exchange of Thailand. If a company has an increasing debt to equity ratio, it may decreasingly speculate in the short-term investment and investment property. Henchochaichana and Srijunpetch (2011) stated that a present debt to equity ratio results from past activities; a company must pay for it whether by cash or asset. Terrabkk.com (2016) also proposed that if a company has more debt and interest to pay, its finance is at risk for it is less likely to get a loan when there is business crisis, decreasing sales, or high marketing competition. The debt to equity ratio indicates a company's financial status in the future. Thus, the more the company has to assume the debt to equity ratio, the less it speculates in the short-term investment and investment property.

The cash flow from operations was another factor having a positive relationship to the short-term investment. If a company has an increasing cash flow from operations, it may increasingly speculate in the short-term investment. Contrarily, there was a negative relationship between the cash flow from operations and the long-term investment in which increased cash flow from operations results to decreased speculation in the long-term investment. According to the Accounting Standard No. 7 Cash Flow Statement of Thailand Federation of Accounting Professions (2017), the cash flow from operations indicates an enterprise's capability in operating its business which brings about sufficient cash flow to pay for loan debt, business operations, dividend, and new investment without relying on other capital resources. Meanwhile, the TSI (2005) noted that as cash flow indicates financial flexibility, it also reflects a company's capability in responding or adapting to any possible opportunities or obstacles to business. Thus, if a company has an increasing cash flow from operations, it might increasingly speculate in the short-term investment.

The revenue was found to have negative impacts to the long-term investment and investment in properties. This means that if a company has an increasing revenue, it will decreasingly speculate in the long-term investment and investment property; and vice versa. The reason is that to substitute a decreasing revenue, a company needs to obtain more income from other sources such as interest, long-term dividend, or rental income. Compatible with the TSI (2005), for stability of income, investors prefer to speculate in securities yielding regular income such as interest or dividend from preferred stock. The investors can also plan whether to use this income for consumption or new investment.

The net profit margin ratio negatively affected to the investment in properties in which if a company has a decreasing net profit margin ratio, it will increasingly speculate in the investment property as a substitute for a decreasing revenue resulting to decreasing net profit, earnings per share, and return on equity consecutively. According to The Stock of Exchange Thailand Book (2009), speculating in the investment property, investors have a chance in getting good investment returns from a middle- to long-term period. Regarding the Office of the Securities and Exchange Commission (2013), investors can obtain income from investment in properties such as buying properties for rental income as a long-term investment or buying properties for speculation as a short-term investment.

The cash flow from operations negatively resulted to speculation in the long-term investment in which if a company has a decreasing cash flow from operations, it will increasingly speculate in the long-term investment. Keereeta (2019) noted that investors are likely to invest if they have money. For increased income, they will invest in personal business, properties, gold, and financial assets such as mutual fund, debenture, stock, etc. Therefore, if a company has a decreasing cash flow from operations, it will increasingly speculate in the long-term investment.

Suggestions from the Findings

1. To speculate in the investment and investment property, a company may not need to have high revenue and net profit margin ratio. The low revenue and net profit margin ratio could be the factors influencing on speculation in other investment types which give returns in the forms of interest, dividend, profit from selling the investment or investment property, and fee from renting the investment properties. All these returns are a substitute to a company's revenue.

2. Types of business result to different forms of speculation in the investment and investment property since each company has its own operations, management policies, target consumers, and business goals. Likewise, if a company has high debt ratio and many shareholders, it decreasingly speculates in the investment and investment property. Since a company needs to allocate money

to pay for its debt, it has no sufficient money to speculate in other types of investment.

Suggestions from the Study

1. For an enterprise having unsuccessful business operations, it is suggested to speculate in the investment which gives returns in the forms of interest, dividend, or profit from selling the investment. Or it should speculate in the investment property to get rental fee or profit from selling the properties.

2. There are various forms of speculation: in real assets such as property and gold; in mutual fund such as ETF fund, property fund, gold fund, foreign mutual fund, and Hedge Fund; and in joint venture such as financial assets (equity securities and debt securities), rarefied business, joint venture business, debt securities of a company having a financial crisis, etc. (The Stock of Exchange Thailand Book,

2009). However, an enterprise must consider its business goals and proper forms of speculation in order to obtain increasing returns.

Suggestions for the Future Study

1. This study targeted at the listed companies on the Stock Exchange of Thailand. The future study may be conducted with small and medium business enterprises to identify factors influencing on their speculation in the investment and investment property.

2. In this study, only the factors influencing on speculation in the investment and investment property were explored. The future study might examine on risks of speculation in the investment and investment property in order to find out reasons why the listed companies on the Stock Exchange of Thailand don't speculate on other types of investment.

REFERENCES

Akarachayanan, P., Jitaksorn S., Korncharoen S., Nakchai N., Promdet S., & Phongteerakanyan N. P. (2014). Behavior and Factors Influencing Financial Instrument Investment Decision. *Journal of Finance, Investment, Marketing and Business Management.* 4(1), 568-581. [In Thai]

Berry, W.D., & Feldman, S. (1985). *Multiple Regression in Practice. Sage University Paper Series on Quantitative Applications in the Social Sciences, Series No. 07-050.* Newbury Park, CA: Sage Publications, Inc.

Hair, J.F., Black, W.C., Babin, B.J., & Anderson, R.E. (2010). *Multivariate Data Analysis 7th ed.* New York: Pearson.

Henchochaichana N., & Srijunpetch S. (2011). *Accounting Theory.* Bangkok: TPN Press Partnership Limited. [In Thai]

Keereeta T. (2019). *How to manage money, when you get a large sum of money.* Retrieved from http://www. add-money.net/th/detail. php?id=143. [In Thai]

Meeampol, S. (2013). *Accounting Theory.* Bangkok: Infomining Company Limited. [In Thai]

Pumalee, P., & Teeravaraprug J. (2013). The Use of Analytic Network Process to Analyze Significant Factors of Short-Term Investment of Retail Investors in Stock Exchange of Thailand. *MUT Journal of Business Administration.* 10(1), 80-91. [In Thai]

Sawatrum, P. (2013). *International Accounting Systems 3rd ed.* Bangkok: Kasetsart University Press. [In Thai]

Securities and Exchange Commission. (2013). *Investment Property.* Retrieved from https://www.sec.or.th. [In Thai]

Terrabkk.com. (2016). *D/E ratio, Indicators of risk structured finance business.* Retrieved from https://www. terrabkk.com/news/ 155206. [In Thai]

Thailand Federation of Accounting Professions. (2016). *Accounting for Investment in Debt and Equity Securities.* Retrieved from http://www.fap. or.th/upload/9414/nKB i5NTp3k.pdf. [In Thai]

Thailand Federation of Accounting Professions. (2017). *Investment Property.* Retrieved from http:// www.fap.or.th/upload/9414/ Ab8xEBj8i9.pdf. [In Thai]

Thailand Federation of Accounting Professions. (2017). *Statement of Cash Flows.* Retrieved from http:// www.fap.or.th/upload/9414/ 11WzNsBHd1.pdf. [In Thai]

Thailand Security Institute (TSI), The Stock of Exchange Thailand. (2005). *Financial statement analysis.* Bangkok: Amarin Printing & Publishing Public Company Limited. [In Thai]

The Stock of Exchange Thailand Book. (2009). *Alternative Investment 3rd ed.* Bangkok: Amarin Printing & Publishing Public Company Limited. [In Thai]