

Independent study title	EFFECT OF SHORT-TERM DEBT AND FOREIGN OWNERSHIP ON DEFAULT RISK: EVIDENCE FROM THAILAND
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ABSTRACT

All firms listed stock exchange of Thailand (SET) over the period of 2001-2019 are used in order to examine whether firm's short-term debt and foreign ownership level affects its default probability in this research. The finding supports the theory of previous literatures that short-term debt positively affects default probability especially when firm suffers from profit deterioration. However, the result of foreign ownership is less associated with default probability defined herein. This indicates that although foreigners are the shareholders, the impact of foreign ownership administration does not affect the default risk much. These results are robust to alternative short-term debt variable and found out as same as the main result. In addition, illiquidity market effect to default risk is examined and found that short-term debt does not positively impact on default risk during crisis in Thailand.

Keywords: Default risk, Rollover risk, Short-term debt, Ownership structure, Foreign shareholding.