

Independent Study Title	FINANCIAL DISTRESS, LIFECYCLE AND CORPORATE RESTRUCTURING: EVIDENCE FROM LISTED COMPANY IN THAILAND
Author	Mr. Thanawat Phattarasirin
Degree	Master of Science (Finance)
Major Field/Faculty/University	Master of Science Program in Finance (International Program) Faculty of Commerce and Accountancy Thammasat University
Independent Study Advisor	Associate Professor Seksak Jumreornvong, Ph.D.
Academic Years	2015

ABSTRACT

When firms face the financial distress, they try to explore the strategies which lead these firms restore their situation to normal. We discover that the stage lifecycle of firm; birth, growth, maturity, and decline affects the decision of management using to resolve the problem. We find the evidence that the listed companies of Thailand for all stage firms use dividend reduction as restructuring strategies while the decline stage firms use new equity issuance instead of debt issuance. Also, the investment reduction is used for the mature stage firms. Moreover, we examine the possibility of the firms to turnaround when they use these restructuring strategies. The results show that the equity issuance is associated with recovery for all stage firms but the dividend cutting or omitting policy is only associated with recovery for growth and decline stage firms. Furthermore, if they use combined strategies in asset and operational restructuring strategies, it reduces the likelihood of distressed mature and decline stage firms.

Keywords: Lifecycle theory, Financial distress, Restructuring strategies