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# SELECTING VARIOUS INDUSTRIAL COMPETITORS AFFECT THE RISK LEVEL OF VIET NAM CONSUMER GOOD INDUSTRY DURING AND AFTER THE GLOBAL CRISIS 2007-2011

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Using a one factor model, this paperwork estimates the impacts of the size of firms' competitors in the consumer good industry on the market risk level, measured by equity and asset beta, of 121 listed companies in this category. This study identified that the risk dispersion level in this sample study could be minimized in case the competitor size doubles (measured by equity beta var of 0,193). Beside, the empirical research findings show us that equity beta min value increases from -0,648 to -0,413 when the size of competitor doubles. Last but not least, most of beta values are acceptable. Ultimately, this paper illustrates calculated results that might give proper recommendations to relevant governments and institutions in re-evaluating their policies during and after the financial crisis 2007-2011.

**Keywords:** Risk management, Competitive firm size, Market risk, Asset and equity beta, Consumer good industry

## INTRODUCTION

Together with financial system development and the economic growth, throughout many recent years, Viet Nam construction material industry is considered as one of active economic sectors, which has some positive effects for the economy. Additionally, financial risk and reactions has become an issue after the global crisis 2007-2009 which has some certain impacts on the whole Viet nam economy, and specifically, the Viet Nam construction material industry. Hence, this research paper analyzes market risk under a one factor model of these listed firms during this period.

This paper is organized as follow. The research issues and literature review will be covered in next sessions 2 and 3, for a short summary. Then, methodology and conceptual theories are introduced in session 4 and 5. Session 6 describes the data in empirical analysis. Session 7 presents empirical results and findings. Next, session 8 covers the analytical results. Then, session 9 will conclude with some policy suggestions. This paper also supports readers with references, exhibits and relevant web sources.

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## RESEARCH ISSUES

For the estimating of impacts of a one factor model: the size of competitor on beta for listed construction material industry companies in Viet Nam stock exchange, research issues will be mentioned as following:

Issue 1: Whether the risk level of construction material industry firms under the different changing scenarios of the size of competitor increase or decrease so much.

Issue 2: Whether the disperse distribution of beta values become large in the different changing scenarios of the size of competitor in the construction material industry.

## LITERATURE REVIEW

Black (1976) proposes the leverage effect to explain the negative correlation between equity returns and return volatilities. Diamond and Dybvig (1983) said banks can also help reduce liquidity risk and therefore enable long-term investment.

Next, Kim et al (2002) noted that the nature of competitive interaction in an industry is important in assessing the effect of corporate product strategies on shareholder value. Salas et al (2007) mentioned the underlying source of franchise value is assumed to be market power, reduced competition has been considered to promote banking stability. Daly and Hanh Phan (2013) investigated the competitive structure of the banking industries in five emerging Asian countries including Viet Nam and showed that the global financial crisis affected dramatically the competition of banking system in emerging Asian countries.

Last but not least, Ana and John (2013) Binomial Leverage – Volatility theorem provides a precise link between leverage and volatility.

## CONCEPTUAL THEORIES

The impact of competition or the size of competitor on the economy and business

In a competitive consumer good market, there are many firms offering the similar products and services and this helps customers select a variety of qualified goods that meet their demand. Competitors could affect price and customer service policies; hence, affect revenues and profits of a typical company. Sources of competition include, but not limit to, training. Increasing training can help competition raising productivity.

Two or more different firms offer various products or services to the same group of customer and the same need. This is called indirect competition.

## METHODOLOGY

In this research, analytical research method is used, philosophical method is used and specially, scenario analysis method is used. Analytical data is from the situation of listed construction industry firms in VN stock exchange and applied current tax rate is 25%.

Finally, we use the results to suggest policy for both these enterprises, relevant organizations and government.

## GENERAL DATA ANALYSIS

The research sample has total 121 listed firms in the consumer good industry market with the live data from the stock exchange.

Firstly, we estimate equity and asset beta values of these firms, as well as the risk dispersion. Secondly, we change the competitor

size from approxiamte size to doubling size and slightly smaller size to see the sensitivity of beta values. We figure out that in 3 cases, asset beta mean values are estimated at 0,339, 0,349 and 0,311 which are positively correlated with the size of competitors. Also in 3 scenarios, we find out equity beta mean values (0,699, 0,716 and 0,652) are also positively correlated with the competitive firm size. Various competitors selected definitely have certain effects on asset and equity beta values.

**EMPIRICAL RESEARCH FINDINGS AND DISCUSSION**

In the below section, data used are from total 121 listed consumer good industry companies on VN stock exchange (HOSE and HNX mainly). In the scenario 1, current financial leverage degree is kept as in the 2011 financial statements which is used to calculate market risk (beta) whereas competitor size is kept as current, then changed from double size to slightly smaller size. Then, two (2) FL scenarios are changed up to 30% and down to 20%, compared to the current FL degree. In short, the below Table 1 shows three scenarios used for analyzing the risk level of these listed firms.

Market risk (beta) under the impact of tax rate, includes: 1) equity beta; and 2) asset beta.

<b>Table 1: Analyzing Market Risk Under three (3) Scenarios (Made by Author)</b>	
	FL as current
Competitor size as current	Scenario 1
Competitor size slightly smaller	Scenario 2
Competitor size double	Scenario 3

**Scenario 1: current financial leverage and competitor size kept as current**

In this case, all beta values of 121 listed firms on VN consumer good industry market as following:

**Scenario 2: competitor size double**

All beta values of total 121 listed firms on VN consumer good industry market as below:

**Scenario 3: Competitor size slightly smaller**

All beta values of total 121 listed firms on the consumer good industry market in VN as following:

All three tables and data show that values of equity and asset beta in the three cases of changing competiotor size have certain fluctuation.

**Comparing statistical results in 3 scenarios of changing leverage:**

Based on the calculated results, we find out:

First of all, Equity beta mean values in all 3 scenarios are acceptable (< 1,1) and asset beta mean values are also small (< 0,5). In the case of reported leverage in 2011, equity beta max is 3,693 which is somewhat hogh in a few exceptional cases. If competitor size doubles, equity beta min increases from 0,129 to 0,238. Finally, when competitor size is slightly smaller, asset beta min increases from 0,041 to 0,056.

The below chart 1 shows us : when competitive firm size decreases slightly, average equity beta value decrease slightly (0,652) compared to that at the initial selected competitor (0,699). Next, average asset beta decreases little (to 0,311). However, in case the competitor size doubles, the risk level of the selected firms is higher (0,349). Last but not least, the fluctuation of equity beta value (0,193) in the case of doubling size competitors is smaller than (>) the results in the rest 2 cases. And we could note that in the case competitor size slightly smaller, the risk is more dispersed (0,077).

**Table 2: Market Risk of Listed Companies on Vn Consumer Good Industry Market Under One Factor Model (Case 1) (Source: Vn Stock Exchange 2012)**

Order No.	Company stock code	Equity beta	Asset beta (assume debt beta = 0)	Note	Financial leverage (ES reports)
1	AAM	0,650	0,569		12,5%
2	ABT	0,852	0,660		22,5%
3	ACL	1,115	0,383		65,6%
4	AGC	1,020	0,051		95,0%
5	AGD	0,545	0,201		63,1%
6	AGF	0,881	0,365		58,6%
7	AGM	0,444	0,148	ACL as comparable	66,8%
8	ANV	1,108	0,809		27,0%
9	ASA	0,637	0,369	NPS as comparable	42,0%
10	ASM	0,856	0,348		59,3%
11	ATA	1,573	0,341		78,3%
12	AVF	0,255	0,060	AGF as comparable	76,5%
13	BAS	1,200	0,545		54,6%
14	BBC	1,236	0,895	ACL as comparable	27,6%
15	BHS	0,957	0,435		54,5%
16	BLF	0,903	0,177		80,4%
17	CAD	1,384	-0,023		101,7%
18	CAN	0,505	0,234		53,7%
19	CFC	-0,150	-0,085		43,2%
20	CLC	0,579	0,202		65,2%
21	CLP	0,223	0,071	CLC as comparable	68,0%
22	CMC	1,530	1,151		24,7%
23	CMX	0,091	0,015	AGM as comparable	83,7%
24	CSM	1,803	0,553		69,3%
25	DBC	0,994	0,371		62,6%
26	DBF	0,147	0,076	CLP as comparable, ES 2010	48,4%
27	DCS	1,492	1,018		31,8%

<b>Table 2 (Cont.)</b>					
Order No.	Company stock code	Equity beta	Asset beta (assume debt beta = 0)	Note	Financial leverage (ES reports)
28	DNF	0,441	0,105	DCS as comparable	76,1%
29	DQC	1,089	0,479		56,0%
30	DRC	1,823	1,093		40,1%
31	EVE	0,079	0,066	CMX as comparable	16,6%
32	FBA	0,493	0,355	ASA as comparable	28,0%
33	FBT	0,477	0,156		67,2%
34	FDG	0,233	0,045	BHS as comparable	80,6%
35	FMC	0,878	0,232		73,6%
36	GDT	0,562	0,418		25,6%
37	GFC	0,131	0,015	FMC as comparable	88,4%
38	GGG	1,410	0,341		75,8%
39	GIL	0,783	0,415		47,0%
40	GLT	0,687	0,483		29,7%
41	GMC	1,033	0,434		58,0%
42	HAD	1,020	0,813		20,3%
43	HAT	0,827	0,659	NPS as comparable	20,2%
44	HAX	1,115	0,410		63,2%
45	HDM	0,534	0,086		83,9%
46	HFX	-0,648	0,275	NPS as comparable	142,4%
47	HHC	1,023	0,612		40,2%
48	HLG	0,762	0,226		70,3%
49	HNM	0,840	0,522		37,8%
50	HTL	0,734	0,482	HAD as comparable	34,2%
51	HVG	0,626	0,225		64,0%
52	ICF	0,916	0,414		54,8%
53	IFS	0,889	0,375	CSM as comparable	57,8%
54	KDC	0,477	0,337	HVG as comparable	29,4%

**Table 2 (Cont.)**

Order No.	Company stock code	Equity beta	Asset beta (assume debt beta = 0)	Note	Financial leverage (ES reports)
55	KMR	0,670	0,474	FMC as comparable	29,3%
56	KSC	0,420	0,340	FBA as comparable	18,9%
57	KSD	0,265	0,106	GDT as comparable	59,9%
58	KTS	0,387	0,241	GDT as comparable	37,7%
59	LAF	1,248	0,558		55,3%
60	LIX	0,346	0,220		36,3%
61	LSS	1,327	0,917		30,9%
62	MCF	0,094	0,027	KSD as comparable	70,9%
63	MEF	0,325	0,143	SJ1 as comparable	56,0%
64	MPC	1,140	0,326		71,4%
65	MSN	1,503	0,841		44,0%
66	NET	0,357	0,246	FBT as comparable	31,0%
67	NGC	0,687	0,113		83,5%
68	NHS	0,381	0,190	KMR as comparable	50,2%
69	NPS	0,984	0,427		56,6%
70	NSC	0,910	0,578		36,5%
71	NST	0,887	0,264		70,2%
72	PID	0,316	0,220	KSC as comparable	30,3%
73	PNJ	0,643	0,262		59,2%
74	PSL	0,259	0,193	MEF as comparable	25,3%
75	PTB	0,122	0,032	NHS as comparable	73,9%
76	PTG	0,391	0,194	NGC as comparable	50,3%
77	RAL	0,883	0,306		65,3%
78	S33	0,267	0,068	ABT as comparable	74,5%
79	SAF	0,888	0,524		41,0%
80	SAV	0,820	0,406		50,4%
81	SBT	0,855	0,716		16,3%

<b>Table 2 (Cont.)</b>					
Order No.	Company stock code	Equity beta	Asset beta (assume debt beta = 0)	Note	Financial leverage (ES reports)
82	SCD	0,738	0,546		26,1%
83	SEC	0,738	0,295		60,0%
84	SGC	0,596	0,448		24,8%
85	SHV	0,199	0,043	SEC as comparable	78,4%
86	SJ1	0,635	0,408		35,8%
87	SLS	0,179	0,077	NET as comparable	57,0%
88	SMB	0,143	0,048	NET as comparable	66,7%
89	SPD	0,174	0,033	SEC as comparable	81,2%
90	SRC	2,056	0,753		63,4%
91	SSC	0,959	0,727		24,2%
92	SSF	0,157	0,067	PID as comparable	57,4%
93	SVC	1,301	0,401		69,2%
94	TAC	1,076	0,393		63,5%
95	TCM	1,302	0,462		64,5%
96	TET	0,346	0,296	PTG as comparable	14,6%
97	THB	0,976	0,608		37,7%
98	THV	0,301	0,056	SVC as comparable	81,5%
99	TLG	0,632	0,326	TAC as comparable	48,4%
100	TMT	0,388	0,200		48,4%
101	TMW	0,293	0,115	SJ1 as comparable	60,8%
102	TNA	1,066	0,378		64,5%
103	TNG	1,135	0,310		72,7%
104	TRI	1,014	0,111		89,0%
105	TS4	1,592	0,614		61,4%
106	TTG	0,429	0,358	FBA as comparable	16,6%
107	VCF	0,996	0,840	TNG as comparable	15,7%
108	VDL	0,810	0,534		34,1%



**Table 2 (Cont.)**

Order No.	Company stock code	Equity beta	Asset beta (assume debt beta = 0)	Note	Financial leverage (ES reports)
109	VDN	0,034	0,003	TMW as comparable	91,0%
110	VHC	1,103	0,584		47,1%
111	VHF	0,157	0,060	LIX as comparable	61,6%
112	VIA	0,387	0,337	TTG as comparable	12,8%
113	VKC	0,122	0,047	S33 as comparable	61,4%
114	VKD	0,095	0,051	SSF as comparable	46,6%
115	VLF	0,100	0,031	S33 as comparable	69,1%
116	VNH	0,547	0,256	TRI as comparable	53,2%
117	VNM	0,475	0,369		22,4%
118	VTF	0,517	0,231	VCF as comparable	55,3%
119	VTI	0,023	0,003	VHF as comparable	88,6%
120	VTL	0,620	0,211		66,1%
121	WSB	0,127	0,097	VHF as comparable	23,6%

**Table 3: Market Risks of Listed Consumer Good Industry Firms Under one Factor Model (case 2) (source: VN stock exchange 2012)**

Order No.	Company stock code	Equity beta	Asset beta (assume debt beta = 0)	Note
1	AAM	0,650	0,569	
2	ABT	0,852	0,660	
3	ACL	1,115	0,383	
4	AGC	1,020	0,051	
5	AGD	0,545	0,201	
6	AGF	0,881	0,365	
7	AGM	0,102	0,034	AVF as comparable
8	ANV	1,108	0,809	
9	ASA	0,445	0,258	NGC as comparable
10	ASM	0,856	0,348	
11	ATA	1,573	0,341	
12	AVF	0,255	0,060	AGF as comparable

<b>Table 3 (Cont.)</b>				
Order No.	Company stock code	Equity beta	Asset beta (assume debt beta = 0)	Note
13	BAS	1,200	0,545	
14	BBC	1,236	0,895	DRC as comparable
15	BHS	0,957	0,435	
16	BLF	0,903	0,177	
17	CAD	1,384	-0,023	
18	CAN	0,505	0,234	
19	CFC	-0,150	-0,085	
20	CLC	0,579	0,202	
21	CLP	0,369	0,118	BHS as comparable
22	CMC	1,530	1,151	
23	CMX	0,181	0,029	AGF as comparable
24	CSM	1,803	0,553	
25	DBC	0,994	0,371	
26	DBF	0,159	0,082	KMR as comparable, ES 2010
27	DCS	1,492	1,018	
28	DNF	0,100	0,024	S33 as comparable
29	DQC	1,089	0,479	
30	DRC	1,823	1,093	
31	EVE	0,766	0,639	AGF as comparable
32	FBA	0,687	0,495	SAF as comparable
33	FBT	0,477	0,156	
34	FDG	0,186	0,036	HLG as comparable
35	FMC	0,878	0,232	
36	GDT	0,562	0,418	
37	GFC	0,131	0,015	AGF as comparable
38	GGG	1,410	0,341	
39	GIL	0,783	0,415	
40	GLT	0,687	0,483	
41	GMC	1,033	0,434	
42	HAD	1,020	0,813	

**Table 3 (Cont.)**

Order No.	Company stock code	Equity beta	Asset beta (assume debt beta = 0)	Note
43	HAT	0,577	0,460	GLT as comparable
44	HAX	1,115	0,410	
45	HDM	0,534	0,086	
46	HFX	-0,413	0,175	KTS as comparable
47	HHC	1,023	0,612	
48	HLG	0,762	0,226	
49	HNM	0,840	0,522	
50	HTL	0,736	0,484	HHC as comparable
51	HVG	0,626	0,225	
52	ICF	0,916	0,414	
53	IFS	0,317	0,134	PNJ as comparable
54	KDC	0,598	0,422	DPM as comparable
55	KMR	0,242	0,171	IFS as comparable
56	KSC	0,585	0,474	NGC as comparable
57	KSD	0,163	0,065	LIX as comparable
58	KTS	0,627	0,391	NSC as comparable
59	LAF	1,248	0,558	
60	LIX	0,346	0,220	
61	LSS	1,327	0,917	
62	MCF	0,322	0,094	NSC as comparable
63	MEF	0,490	0,216	SSC as comparable
64	MPC	1,140	0,326	
65	MSN	1,503	0,841	
66	NET	0,253	0,174	S33 as comparable
67	NGC	0,687	0,113	
68	NHS	0,503	0,250	RAL as comparable
69	NPS	0,984	0,427	
70	NSC	0,910	0,578	
71	NST	0,887	0,264	
72	PID	0,449	0,313	SGC as comparable

<b>Table 3 (Cont.)</b>				
Order No.	Company stock code	Equity beta	Asset beta (assume debt beta = 0)	Note
73	PNJ	0,643	0,262	
74	PSL	0,764	0,571	SSC as comparable
75	PTB	0,283	0,074	RAL as comparable
76	PTG	0,577	0,287	TRI as comparable
77	RAL	0,883	0,306	
78	S33	0,338	0,086	TAC as comparable
79	SAF	0,888	0,524	
80	SAV	0,820	0,406	
81	SBT	0,855	0,716	
82	SCD	0,738	0,546	
83	SEC	0,738	0,295	
84	SGC	0,596	0,448	
85	SHV	0,238	0,051	RAL as comparable
86	SJ1	0,635	0,408	
87	SLS	0,427	0,183	ABT as comparable
88	SMB	0,135	0,045	S33 as comparable
89	SPD	0,209	0,039	RAL as comparable
90	SRC	2,056	0,753	
91	SSC	0,959	0,727	
92	SSF	0,403	0,172	VDL as comparable
93	SVC	1,301	0,401	
94	TAC	1,076	0,393	
95	TCM	1,302	0,462	
96	TET	0,899	0,767	TRI as comparable
97	THB	0,976	0,608	
98	THV	0,252	0,047	KDC as comparable
99	TLG	0,517	0,267	AGF as comparable
100	TMT	0,388	0,200	
101	TMW	0,473	0,185	HHC as comparable
102	TNA	1,066	0,378	

**Table 3 (Cont.)**

Order No.	Company stock code	Equity beta	Asset beta (assume debt beta = 0)	Note
103	TNG	1,135	0,310	
104	TRI	1,014	0,111	
105	TS4	1,592	0,614	
106	TTG	0,426	0,356	VKD as comparable
107	VCF	0,773	0,651	AGF as comparable
108	VDL	0,810	0,534	
109	VDN	0,016	0,001	SMB as comparable
110	VHC	1,103	0,584	
111	VHF	0,207	0,080	VTF as comparable
112	VIA	0,384	0,335	TTG as comparable
113	VKC	0,208	0,080	VTF as comparable
114	VKD	0,490	0,262	VDL as comparable
115	VLV	0,069	0,021	FDG as comparable
116	VNH	0,491	0,230	NSC as comparable
117	VNM	0,475	0,369	
118	VTF	0,457	0,204	AGF as comparable
119	VTI	0,067	0,008	VTF as comparable
120	VTL	0,620	0,211	
121	WSB	0,371	0,283	VTF as comparable

**Table 4: Market risk of listed consumer good industry firms under one factor model (case 3) (source: VN stock exchange 2012)**

Order No.	Company stock code	Equity beta	Asset beta (assume debt beta = 0)	Note
1	AAM	0,650	0,569	
2	ABT	0,852	0,660	
3	ACL	1,115	0,383	
4	AGC	1,020	0,051	
5	AGD	0,545	0,201	
6	AGF	0,881	0,365	
7	AGM	0,444	0,148	ACL as comparable

<b>Table 4 (Cont.)</b>				
Order No.	Company stock code	Equity beta	Asset beta (assume debt beta = 0)	Note
8	ANV	1,108	0,809	
9	ASA	0,064	0,037	TTG as comparable
10	ASM	0,856	0,348	
11	ATA	1,573	0,341	
12	AVF	0,255	0,060	AGF as comparable
13	BAS	1,200	0,545	
14	BBC	1,236	0,895	AGD as comparable
15	BHS	0,957	0,435	
16	BLF	0,903	0,177	
17	CAD	1,384	-0,023	
18	CAN	0,505	0,234	
19	CFC	-0,150	-0,085	
20	CLC	0,579	0,202	
21	CLP	0,014	0,004	NHS as comparable
22	CMC	1,530	1,151	
23	CMX	0,254	0,041	BBC as comparable
24	CSM	1,803	0,553	
25	DBC	0,994	0,371	
26	DBF	0,734	0,379	HAX as comparable, ES 2010
27	DCS	1,492	1,018	
28	DNF	0,141	0,034	FBT as comparable
29	DQC	1,089	0,479	
30	DRC	1,823	1,093	
31	EVE	0,114	0,095	FGC as comparable
32	FBA	0,049	0,035	ASA as comparable
33	FBT	0,477	0,156	
34	FDG	0,108	0,021	FGS as comparable
35	FMC	0,878	0,232	
36	GDT	0,562	0,418	
37	GFC	0,131	0,015	FMC as comparable

<b>Table 4 (Cont.)</b>				
Order No.	Company stock code	Equity beta	Asset beta (assume debt beta = 0)	Note
38	GGG	1,410	0,341	
39	GIL	0,783	0,415	
40	GLT	0,687	0,483	
41	GMC	1,033	0,434	
42	HAD	1,020	0,813	
43	HAT	-0,544	-0,434	HFX as comparable
44	HAX	1,115	0,410	
45	HDM	0,534	0,086	
46	HFX	-0,648	0,275	NPS as comparable
47	HHC	1,023	0,612	
48	HLG	0,762	0,226	
49	HNM	0,840	0,522	
50	HTL	0,639	0,420	SAF as comparable
51	HVG	0,626	0,225	
52	ICF	0,916	0,414	
53	IFS	0,053	0,023	FDG as comparable
54	KDC	0,970	0,685	PET as comparable
55	KMR	0,204	0,144	S33 as comparable
56	KSC	0,042	0,034	FBA as comparable
57	KSD	0,035	0,014	MCF as comparable
58	KTS	0,210	0,131	MEF as comparable
59	LAF	1,248	0,558	
60	LIX	0,346	0,220	
61	LSS	1,327	0,917	
62	MCF	0,074	0,022	KTS as comparable
63	MEF	0,305	0,134	SGC as comparable
64	MPC	1,140	0,326	
65	MSN	1,503	0,841	
66	NET	0,552	0,381	SCD as comparable
67	NGC	0,687	0,113	

<b>Table 4 (Cont.)</b>				
Order No.	Company stock code	Equity beta	Asset beta (assume debt beta = 0)	Note
68	NHS	0,036	0,018	SPD as comparable
69	NPS	0,984	0,427	
70	NSC	0,910	0,578	
71	NST	0,887	0,264	
72	PID	0,014	0,010	SSF as comparable
73	PNJ	0,643	0,262	
74	PSL	0,475	0,355	SGC as comparable
75	PTB	0,086	0,022	S33 as comparable
76	PTG	0,353	0,175	VTL as comparable
77	RAL	0,883	0,306	
78	S33	0,267	0,068	ABT as comparable
79	SAF	0,888	0,524	
80	SAV	0,820	0,406	
81	SBT	0,855	0,716	
82	SCD	0,738	0,546	
83	SEC	0,738	0,295	
84	SGC	0,596	0,448	
85	SHV	0,199	0,043	SEC as comparable
86	SJ1	0,635	0,408	
87	SLS	0,370	0,159	SCD as comparable
88	SMB	0,148	0,049	SLS as comparable
89	SPD	0,063	0,012	S33 as comparable
90	SRC	2,056	0,753	
91	SSC	0,959	0,727	
92	SSF	0,019	0,008	VKD as comparable
93	SVC	1,301	0,401	
94	TAC	1,076	0,393	
95	TCM	1,302	0,462	
96	TET	0,550	0,469	VTL as comparable
97	THB	0,976	0,608	



Order No.	Company stock code	Equity beta	Asset beta (assume debt beta = 0)	Note
98	THV	0,302	0,056	TCM as comparable
99	TLG	0,666	0,344	TNG as comparable
100	TMT	0,388	0,200	
101	TMW	0,374	0,147	VDL as comparable
102	TNA	1,066	0,378	
103	TNG	1,135	0,310	
104	TRI	1,014	0,111	
105	TS4	1,592	0,614	
106	TTG	0,098	0,082	VIA as comparable
107	VCF	0,978	0,825	ACL as comparable
108	VDL	0,810	0,534	
109	VDN	0,094	0,008	VDL as comparable
110	VHC	1,103	0,584	
111	VHF	0,157	0,060	LIX as comparable
112	VIA	0,113	0,098	VLA as comparable
113	VKC	0,072	0,028	VHF as comparable
114	VKD	0,038	0,021	ASA as comparable
115	VLV	0,024	0,007	SPD as comparable
116	VNH	0,051	0,024	VDN as comparable
117	VNM	0,475	0,369	
118	VTF	0,507	0,227	VCF as comparable
119	VTI	0,023	0,003	VHF as comparable
120	VTL	0,620	0,211	
121	WSB	0,281	0,214	LIX as comparable

Statistic results	Equity beta	Asset beta (assume debt beta = 0)	Difference
MAX	2,056	1,151	0,905
MIN	-0,648	-0,085	-0,562
MEAN	0,699	0,339	0,360
VAR	0,2151	0,0664	0,149

Note: Samle size 121 firms

**Table 6: Statistical Results (FL in case 2) (source: VN stock exchange 2012)**

Statistic results	Equity beta	Asset beta (assume debt beta = 0)	Difference
MAX	2,056	1,151	0,9046
MIN	-0,413	-0,085	-0,3272
MEAN	0,716	0,349	0,3665
VAR	0,1931	0,0643	0,1289

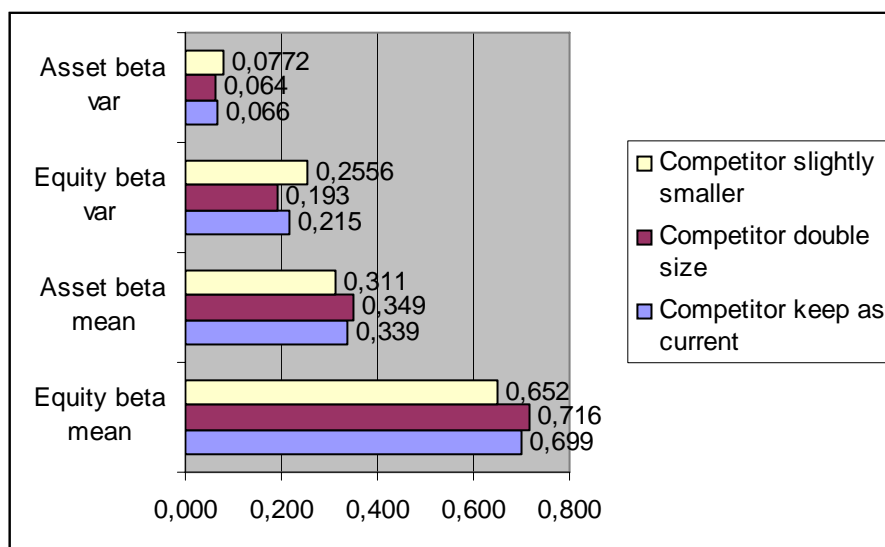
Note: Samle size 121 firms

**Table 7: Statistical Results (FL in case 3) (source: VN stock exchange 2012)**

Statistic results	Equity beta	Asset beta (assume debt beta = 0)	Difference
MAX	2,056	1,151	0,9046
MIN	-0,648	-0,434	-0,2136
MEAN	0,652	0,311	0,3411
VAR	0,2556	0,0772	0,1784

Note: Samle size 121 firms

**Chart 1: Comparing Statistical Results of Equity Beta var and Mean in Three (3) Scenarios of Changing Competitor Size (source: VN stock exchange 2012)**



## CONCLUSION AND POLICY SUGGESTION

In conclusion, the government has to consider the impacts on the mobility of capital in the markets when it changes the macro policies and the legal system and regulation for developing the

consumer good market. The Ministry of Finance continues to increase the effectiveness of fiscal policies and tax policies which are needed to combine with other macro policies at the same time. The State Bank of Viet Nam continues to increase the effectiveness of capital providing

channels for consumer good companies as we could note that in this study when competitive firm size doubles, the risk level increases (equity beta mean value is estimated at: 0,716), and the equity beta var value (0,193) is little lower than that in case competitor size as current (0,215).

Furthermore, the entire efforts among many different government bodies need to be coordinated.

Finally, this paper suggests implications for further research and policy suggestion for the Viet Nam government and relevant organizations, economists and investors from current market conditions.

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## APPENDIX

**Exhibit 1: Inflation, GDP Growth and Macroeconomics Factors**

*(source: Viet Nam commercial banks and economic statistical bureau)*

Year	Inflation	GDP	USD/VND rate
2011	18%	5,89%	20.670
2010	11,75% (Estimated at Dec 2010)	6,5% (expected)	19.495
2009	6,88%	5,2%	17.000
2008	22%	6,23%	17.700
2007	12,63%	8,44%	16.132
2006	6,6%	8,17%	
2005	8,4%		
Note	approximately		

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