

"Impact of board composition and financing choice on  
shareholder wealth maximization in textile industry"



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## **Abstract**

This research examines the influence of board composition and financing choices by which we can create maximum shareholder wealth in different textile firms. Top 10 textile firms are being considered as a sample for this research for the time period of 2011 - 2015. In this study we measure the financing decision by using the debt ratio and the board composition is being measure by board size of different firms. Some firms find that there is a positive relationship between the debt and profitability. As there are debt to equity ratio and second they use equity to market ratio. For having a better thoughtful view earlier in literature there is discussion about financing choice and board composition have thoroughly reviewed in textile firms of Pakistan. Ordinary least square regression model examines the quantity of debt in the capital structure is very much obvious element in knowing the shareholders return and Hausman test determine about the best model. In study the small and medium board size has been consider positive thing to make the more profit for the shareholders. Firm's use more equity rather than the debt are positively correlated and have positive impact on the firm performance as well as it help in shareholders wealth maximization.

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