

IMPACT OF CORPORATE GOVERNANCE PRACTICES ON FINANCIAL PERFORMANCE

By

KASHIF JAVED

25706

A thesis presented to the Department of Management Sciences, Bahria University
Karachi Campus, in partial fulfillment of the requirements
of the MBA degree



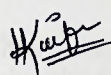
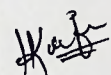

FALL, 2014

Bahria University Karachi Campus

MBA Thesis

2nd Half-semester Progress Report & Thesis Approval Statement

Supervisor-Student Meeting Record

No.	Date	Place of Meeting	Topic Discussed	Signature of Student
5	20-11-2014	University	Methodology	
6	26-12-2014	University	Discussion of the findings	
7	30-12-2014	University	conclusion & recommendation	

APPROVAL FOR EXAMINATION

Candidate's Name: Kashif Javed Registration No. 25706
 Thesis Title: Impact of corporate Governance practices on financial performance

I hereby certify that the above candidate's thesis has been completed to my satisfaction and, to my belief, its standard is appropriate for submission for examination. I have also conducted plagiarism test of this thesis using HEC prescribed software and found similarity index at 16% that is within the permissible limit set by the HEC for the MBA thesis. I have also found the thesis in a format recognized by the Department of Management Sciences.

Supervisor's Signature:  Date: _____

Name: Dr. Khalid Hussain Shaikh

Head Of Department Signature _____ Date: _____

ABSTRACT

The ultimate goal for conducting the research was to find the role of corporate governance in the firms of Pakistan listed on the stock exchange. The study covers the data from 2011-2013. CG index and regression analysis was used for this purpose. The CG index score were made in comparison to the other financial indicators that are ROA, ROE, and Price to Book ratio and P/E of the selected firms to find the impact and correlation on each. The results indicated that there is a positive relation with the selected ratios and firms performance against the corporate governance practices. The results of this research can be used on the practical areas as well; however keeping this in mind that Pakistan is going through the tough scenario it is difficult for the firms to incorporate the governance practices in the best manner.

Key Words: corporate governance, CG index, financial indicators, comparison

TABLE OF CONTENTS

Chapter 1: Introduction.....	8
Chapter 2: Literature Review	11
2.1 Introduction Of Corporate Governance	11
2.2 Review Of Previous Empirical Findings.....	13
Chapter 3: Methodology	17
3.1 Sample.....	17
3.2 Scoring Criteria	18
3.3 Measures of Financial Performance.....	19
3.4 The Regression Model	20
Chapter 4: Discussion Of The Findings	21
4.1 Descriptive Analysis	21
4.2 Regression Analysis.....	24
Chapter 5: Conclusion	28
Chapter 6: Recommendation	29
Appendix: List of Companies.....	30
Works Cited.....	32