

ABSTRACT

As Corporate Governance is very important aspect in companies, Over the past years, Corporate Governance has been given a higher attention due to number of High profile corporate collapses, such as Enron, WorldCom ,Adelphia of United States of America (USA) and Parmalat of Italy, for that reason a number of regulatory changes aimed at improving corporate governance have been implemented, In USA,the Sarbanes Oxley Act 2002 (SOX) which is also known as Public Company Accounting Reform and Investor Protection Act 2002, regulates boardroom accountability and provides the securities and enhanced policing role in corporate governance matters.

The main objective of the study was to determine the relationship between corporate governance and firm performance by examining the effects of corporate governance variables on firm performance, assess the correlation of corporate governance and firm performance and to measure the extent of impact of corporate governance variables on firm performance. A cross-sectional survey method was adopted in this study where data were collected at one point at a time. Data collection was carried out through interviews, documentary reviews and the use of well-structured and pre-tested questioners. Both primary and secondary data were collected. To explore the relationship between corporate governance and firm value, Tobin's Q was used as a valuation measure, the research regressed the Tobin Q with respect to variable chosen in order to measure the firm value and then concluded the methodology by ANOVAs of a single factor model.

This study found that: There is positive and significant relationship between number of directors(board size) and firm value, there is positive and significant relationship between debt to asset ratio and firm value, there is positive and significant relationship between percentage of block holding by financial institution and firm value, there is positive and significant relationship between percentage of block holding by non-financial institution and firm value, there is negative and significant relationship between independent directors on the board and firm value, there is positive and significant relationship between share price and firm value, there is positive and significant relationship between split and firm value, there is negative and significant relationship between percentage of directors ownership and firm value, there is positive and significant relationship between number of executive directors and firm value. There is positive and significant relationship between return on asset and firm value