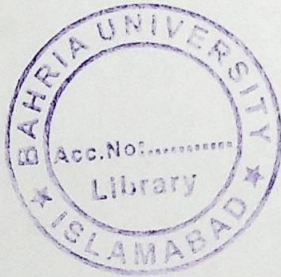


Corporate Governance, Cash Holdings and Firm Valuation: Evidence from Pakistan



SUBMITTED BY:

ALIZA HUSSAIN ASIM

(01-297172-034)

SUPERVISED BY: DR. ABDUL SATTAR

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Bahria University Islamabad

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ABSTRACT

The purpose of current study is to examine the impact of Corporate Governance and firm value on Cash Holdings of firm. Different characteristics of Corporate Governance including board independence, board size, insider ownership and CEO duality were examined to check their impact on Cash Holding of firms. The methodology of current study consists of selecting thirty non-financial listed firms of Pakistan from KSE 100 and then collecting data about their Corporate Governance, firm value and Cash Holdings to run the analysis. All the hypotheses of current study are accepted and the results reveal that Corporate Governance and firm value is significant predictor of cash holdings of firms. The positive impact of board size and board independence was found on the Cash Holdings of non-financial firms of Pakistan while significant negative impact of CEO duality and insider ownership was found on Cash Holdings of firms. The results about firm value revealed that firm value has significant positive influence on Cash Holdings of firms. This study is very significant as the related literature in context of Pakistan particularly is very scarce and insufficient so, the current study has attempted to add great empirical evidence in the field of Corporate Governance and firm values regarding their contribution in Cash Holdings of firms that is beneficial in theory as well as practice.