Kashmir Economic Review
Volume 26, Issue 1 -2017

A STUDY ON VALUE RELEVANCE OF CORPORATE GOVERNANCE DISCLOSURE: EVIDENCE FROM PAKISTAN STOCK EXCHANGE

Huma Fatima[1], Bilal Nafees*[2] and Ijaz Hussian Bokhari[3]

Abstract

This paper focus on the reform process taking place in Pakistan related to disclosures of financial information in annual reports at the same time changes in regulatory framework related to corporate governance. For this purpose, data of fifty companies listed on Pakistan Stock Exchange is used for the time period 2010-2013 by applying panel regression. Corporate governance disclosure index is adopted to empirically analyze the impact of corporate governance disclosures on the value relevance of firm. Results of panel regression show that overall corporate governance disclosure have positive and significant impact on firm value, whereas from results of sub-indices ownership structure disclosure is more relevant for investors as compared to other two sub-indices: board and management structures disclosure and financial information disclosure. Further, results show that control variables liquidity, profitability and firm size have positive impact on firm value.

Keywords: Corporate Governance, Value Relevance, Pakistan Stock Exchange, Corporate Governance Disclosure, panel data.
Article classification: Research paper
JEL Classification: G32, G34, G39

1. Introduction

Corporate governance has very significant impact on firm's policies, practices, rules and regulations relating to its Customers, employees, creditors, stockholders and regulators. It facilitates and monitors effective management, legal compliance and prevents unlawful behavior.

[1]University of Education, Lahore, Pakistan. Email: huma.fatima@ue.edu.pk
[2] Corresponding Author, University of Education, Lahore, Pakistan. Email: bilalnafees@hotmail.com
[3]University of Central Punjab, Lahore, Pakistan. Email: bokhari.ijaz@ucp.edu.pk

Due to need for transparency, accountability and application of corporate governance rules, disclosures in annual reports and in other information channels are gaining importance among researchers. Previous researches have evaluated disclosures and its determinants in different countries and provided different results of firm characteristics that have impact on firm's disclosures. However, an important issues have not been researched significantly in Pakistan, an emerging economy that is value relevance of disclosures. Emerging economies are different from developed economies in a way as it has larger potential for growth but less information available to investors, weak governance and lower level of disclosures. As a result, there exists a gap between investors and companies. However, disclosures can bridge this gap between investors and companies. According to Oren's et al., (2009) higher level of disclosures improves firm value and decreases cost of capital.

Earlier studies by Al-Kara and Ali (2010), Hassan et al. (2009) empirically proves that disclosures have significant impact on the value of firms. However, objective of this study is to bridge this gap and to empirically analyze relationship between corporate governance disclosures and its value relevance in emerging economy like Pakistan.

This study utilizes data of fifty non-financial firms listed on Pakistan Stock Exchange for period 2010 to 2013. Linear regression model is employed to conduct the data analysis. Results show that overall corporate governance index have significant impact on the value of firm .Results are verified by dividing the main index into sub-indexes, board and management structures disclosures, ownership structure and other financial information disclosures. Results of sub-indices show that investors consider ownership structure more value relevant as compared to other two indices. This study also have few limitations such as it has focus only on corporate governance disclosures .Other type of disclosures are not included due to time limits.

The sequence of the remaining paper goes as follow: Second section includes previous studies and development of hypothesis, third section discusses methodology, fourth section has discussion on results and last part consists of conclusion, policy implication and limitations of study.

2. Literature Review

In this section review of previous studies related to corporate governance and value relevance is summarized. As different researchers define corporate governance in number of different ways therefore corporate governance has no universally accepted definition. In developing countries, corporate governance is an important issue as firms in developing economies are facing several challenges related to sociopolitical, technological and economic movement toward globalization. (Rabelo and Vasconcelos, 2002)

Corporate governance system consists of practices, laws, rules and regulations relating to corporate disclosure, compensation system, size and number of board members. Gupta, P. (2008) defines corporate governance as a methodical system which includes all shareholders, management and investors in the decisions relating to company's affairs. According to Oman (2001) corporate governance facilitates to establish the relation between stakeholders and executives by giving the rules and regulations. A number of researchers used the term 'umbrella 'for corporate governance as it helps to resolve agency issue by providing a complete outline of rules to shareholders, management and all other related parties. Reed(2002) states that a lot of research has been done in developed countries on corporate governance, disclosure and its value relevance while in developing countries very minimal research has done on corporate governance disclosure.

According to Yakasai(2001), who conducted research in Nigeria, reports that earlier there was a little emphasis on the application and disclosure of corporate governance practices because of the little doubt on the abilities and competencies of executives to manage company's affairs. Further, he also states that protection of investor's rights and corporate governance are very critical for economic development. A study conducted by Vasconcelos (2002) reports that model of corporate governance for developing economies is different from that of developed economies because of the difference in structural features of both economies.

Agency problem in developed countries is between shareholders and management but in developing economies it is a conflict between minority and majority stockholders (La Porta et al.1999). According to Ahunwan (2002.p 269-78) in developing economies agency issue arises due to asymmetric information and ill functioning of capital markets.

Corporate Governance reduces the transaction cost arising due to incomplete governance(Rahman,2002)

A study by Al Bassam et al.(2015) investigates the effect of board ownership and structure on corporate governance disclosure and reported that firms with big 4 auditor, Corporate Governance committee and higher level of government ownership discloses more corporate governance information.

Hassan et al. (2009) proved negative relation between mandatory disclosures and firm value. This study conducted on emerging capital market of Egypt using panel data analysis. According to this study after controlling factors such as size and profitability mandatory disclosures shows negative relation with firm value while voluntary disclosures have insignificant and positive relation with firm value.

Botosan and Plumlee (2002) found negative, positive and no association between disclosure and cost of capital. According to their study, disclosure are sensitive to the type of disclosures.

A study by Silva and Alves (2004) shows that disclosures affect the value of firm through cash flows effects and then reducing then reducing the agency costs. According to a study by Skinner (1994) corporate disclosures more often affects the high negative earnings. Kusumawati (2006) reported negative relation between voluntary corporate governance and profitability. It may be due to facet that firms will disclose more information when there is decline in profits. However, a study by El-Gazzar and Fornaro, et al. (2003) reports positive association between profitability and voluntary disclosures.

Chen and Jaggi (2000) studied the relationship between non-executive directors and mandatory disclosures and Forker (1992) studied the association between corporate governance and disclosure of share price and reported positive relation. Ananchotikul (2007) studied Thai firms for foreign direct investment with corporate Governance by using corporate Governances index. He reported that corporate governance is poor for companies whose owners belongs to institutions with weak governance. Garay, Gonzalez(2008) studied relation between corporate governance and firm value for Venezuela companies by using Governance index and reported that their results is applicable to countries where protection for investor is low.

According to Fishman &Hagerty (1989) higher level of disclosures can attract investors for imperfect competitive markets. If a firm disclose more information than other firms in the same industry may attract more investors and companies in other sectors may lose their investors as investors may face lower cost to study companies in the same sector.

Bushee and Leuz (2005) studied the economic consequences of disclosures regulations for the OTC bulletin board companies to fulfill the reporting requirements under the securities and exchange Act 1934.To disclose more information smaller companies has to bear significant cost . On other hand, benefits of disclosure regulations are also significant. It has positive impact on stock returns and liquidity (Bushee and Leuz (2005).Disclosure of information related to finance may have different impact on the value relevance in stock market of China(Fernald and Rogers,2002) El-Gazzar and Fornaro (2003) reported positive relation between corporate disclosure and management responsibilities related to financial reporting.

A study conducted by Rauf (2012) on non-financial firms listed on Bangladesh stock exchange for the period 2007 and reported that corporate governance Disclosures is positively associated with the performance of firm. Beak et al. (2004) studied Korean firms for firm specific measures of corporate Governance and shows that firms with higher level of disclosures have higher rise in value of equity. A study by Gelb and Zarowin (2002) shows the association of voluntary disclosures with in formativeness of prices of shares. Their findings shows that higher level of disclosures are associated with share price and prices of stock are more informative about the earnings. Hellstrom(2006) studied Czech Republic and Sweden for the period 1994-2001 and shows higher value relevance for the studied period. Higher value relevance was attributed to well-developed economy and rules regulations to prepare financial statements. This finding is in line with the assumptions that higher value of firms and accounting informant is linked with the well-functioning of institutions.

Financial statement across globe, including Pakistan, are prepared and published by following numerous rules, regulations as well as firm and industry specific elements. This increases the importance and reliability of financial statements as an important communication channel for its investors and stakeholders. That's why issue of value relevance becomes worthy to research. The value relevance is defined as dexterity of published financial data in financial statements to reflect and summarize firm value. According to Francis and Schipper (1999) Value relevance is also defined as the ability of accounting information to capture or summarize such information that has effect on value of stocks

According to Francis et.al (2004) relevant information should have ability to facilitate its users to evaluate different economic events related to past, present and future and can also influence the decisions of those who use this information. According to this definition, value relevance is one of the most important feature of information quality. Value relevance of disclosed information is not only for investors but also for accounting standard setters. This is the reason topic of value relevance is gaining importance amongst researchers of both fields i.e. accounting and finance. Particularly, it is important for emerging economies because such economies are in the process of developing accounting system.

By enhancing information disclosure value of firm can be improved because of its impact on either capital cost or cash flows to stockholders or both. Numerous researches conducted on information disclosure conclude that due to higher level of disclosure investors will be in better position to assess the position of company. As a result, cost of capital will be decreased and demand of its securities will increase thus improving the firm value. According to Lang et al. (2003) cost of capital will be lower when an investor will be in a position to forecast the prospects of company because cost of capital of a firm is a function of "estimation of risk". On other side, higher level of information disclosures also have impact on value of firm through its effect on cash flows which can be increased by decreasing agency cost. Value relevance is negatively affected by accrual accounting as compared to cash base accounting in countries where stockholder protection is poor while value relevance is positively related to accrual accounting in countries where stockholder protection is strong (Hung 2001).

According to Holthausen and Watts (2001) research on value relevance is not relevant to accounting standard setters as this research mostly focuses on accounting theories or link between accounting theories and equity valuation models which have limited implication for accounting standard setters as these links are associations only and are not descriptive in nature. Hence, it's difficult to draw any inference for standard setting. On other hand, a study by Beave and Landsman (2001) reports that research on value relevance is fruitful for standard setters as it operationalize the relevance and reliability theories of FASB.

2. Corporate Governance and Disclosure in Pakistan

In 2002, Securities and Exchange Commission of Pakistan introduced code of corporate governance. Initially, it was a joint effort of SECP with ICAP (Institute of Charted Accountant of Pakistan) and it is compulsory for all listed companies to apply code of governance. Securities and Exchange Ordinance, Companies Ordinance, and Securities and Exchange Commission of Pakistan are key legislators of governance in Pakistan. The securities and exchange ordinance consists of rules and regulations related to investors protection, stock market, delisting of securities and to prevent insider trading and fraud. SECP, established by securities and exchange ordinance Act in 2002. This entity acts as a regulator and controller of capital market and corporate entities. The rules related to take over and disclosure were established in 2002 by listed companies ordinance. Other than disclosures, listing rules also includes rules relating to transfer pricing.

Due to control and monitoring of SECP and mandatory compliance with code of corporate governance, disclosure quality is improving over the past years in Pakistan. It is compulsory for all companies listed on Karachi Stock Exchange to disclose information related to directors, Chief executive officer, their profiles, annual general meeting, related party transactions, financial highlights, corporate social responsibility, composition of board of directors and their powers and responsibilities and directors' compensations etc. Asian development Bank and World Bank is facilitating the SECP to improve the code of governance and also providing assistance to apply the code of governance successfully. For this purpose a reward program named as" top ten reporting" is initiated which encourage the companies to disclose more information related to both financial and non-financial matters.

Javed and Robina (2007) is the only study conducted in Pakistan related to corporate governance disclosure and corporate valuation. They studied a sample of fifty companies listed on KSE and concluded that ownership, board composition and shareholdings improve the firm value but disclosures and transparency do not have significant impact on the value of firm. I believe it is due to reason that firm fail to incorporate factors that have influence on the level of disclosures or it can be due to reason that study fails to control the indigeneity of disclosure in relation to firm value. However, considering the above studies, it is expected that enhanced corporate governance disclosure will increase the value of firms in Pakistan.

Hypothesis: The level of corporate governance disclosures of firms listed on Karachi Stock exchange is positively associated with the value of firms.

3. Methodology

This section discusses the detail of sample, data collection, time period and model to be applied for data analysis.

Sample Selection

The study uses companies listed on Pakistan stock exchange for time period 2010-2013. This study is conducted on fifty companies only because a considerable amount of time is required to measure corporate governance disclosure by using content analysis technique. For collection of data annual reports of these companies was analyzed. Three sub-indices are Board and management disclosures, Financial Information disclosure and Ownership structure disclosure.

Model Estimation

$$MV/BV_{it} = \beta_0 + \beta_1 \text{ OCGD}_{it} + \beta_2 LTA_{it} + \beta_3 ROA_{it} + \beta_4 LIQ_{it} + \mu_{it} \ldots\ldots(1)$$

$$MV/BV_{it} = \beta_0 + \beta_1 \text{ BSMD}_{it} + \beta_2 LTA_{it} + \beta_3 ROA_{it} + \beta_4 LIQ_{it} + \mu_{it} \ldots\ldots..(2)$$

$$MV/BV_{it} = \beta_0 + \beta_1 \text{ FID}_{it} + \beta_2 LTA_{it} + \beta_3 ROA_{it} + \beta_4 LIQ_{it} + \mu_{it} \ldots\ldots\ldots..(3)$$

$$MV/BV_{it} = \beta_0 + \beta_1 \text{ OSD}_{it} + \beta_2 LTA_{it} + \beta_3 ROA_{it} + \beta_4 LIQ_{it} + \mu_{it} \ldots\ldots\ldots(4)$$

Dependent Variable-------firm value

To measure firm value, in several studies log of ratio of market to book value (MV/BV) of equity is used rather than using only log of market value because log of market to book value of equity is assumed to be better measure then log of market value. According to Hassan et al (2009) ratio of market to book value also point out that securities are under or overvalued. In this study ratio of market value to book value is used to measure the firm value. Market value of securities is taken as number of outstanding shares multiplied by share price, number of shares are derived from the annual reports of companies and share price data is collected from website of Pakistan Stock Exchange. Due to high level of skewness, natural log was used for transformation.

Independent Variable---------Corporate Governance Disclosure

To measure the level of corporate governance disclosure a check list was adopted by Patel et al.(2002) which contain 27 items related to four main categories : ownership structure (OCGD), corporate social responsibility (OSD), board and management structure (BSMD) and disclosure of financial information (FID) . If an item from checklist appears in the annual report, company received a score of 1 otherwise 0. Similar to earlier studies, to avoid biasness in index calculation, all items in checklist are assumed to have equal weights and have same relevance for outside users of information. Hence, corporate governance disclosure index has a score range from 0 to 1.The index is computed as the aggregate of all values for each company divided by total number of check list items which a company can obtain.(Corporate governance disclosure checklist given in annexure).

Control Variables

Firm size: According to several studies large firms used to disclose more information as compared to smaller firms because shareholders of larger firms are more dispersed and information asymmetry can increase the cost of capital then more disclosures can reduce the cost of capital (Chow and Wong-Boren (1987), Bujaki & McConomy (2002).For this study log of total assets is used for firm size. According to Berk (1995) large firms measured in terms of Asset are expected to have higher value of firm. In another study by Hassan et al. (2009) firm size is used as control variable as larger companies are expected to have higher value. LTA represents long term assets.

Profitability: In previous research profitability is used as a determinant of disclosure. Lan, Wang and Zhang (2013) conducted research on the determinants of disclosure in China and showed positive and significant relationship between disclosure and profitability. Profitable firms disclose more information to signal their good performance to the market. According to Hassan et al.in Egypt. Firm value is expected to have positive relation with profitability as investor of Egypt pays very high attention to profitability. Likewise firms with higher profitability are expected to have higher firm value. As higher profitability leads to higher level of dividends. Higher performing firms disclose more information as a signal to investors for their good performance (Wallace and Naser 1995). ROA represents return on assets.

Liquidity: It is measure of firm's ability to meet its short term debt paying abilities. According Belkaoui and Kahl (1978) liquidity is an indicator of management's efficiency and effectiveness. Highly liquid firms tend to have high value of firm. It is measured as ratio of current asset to current liabilities. LIQ represents liquidity.

4. Results and discussion

Descriptive Statistics

Table.1

Descriptive Statistics				
Variables	**Minimum**	**Maximum**	**Mean**	**Std. Deviation**
MV/BV	14.27	93	9.21	36.706
OCGD	52	88	72	9.939
LIQ	0.3	1.02	1.94	2.389
LTA	8	11	9.43	0.637
ROA	-67	100	5.26	16.252

Correlation Matrix

Table2

	MV/BV	**OCGD**	**BMSD**	**FID**	**OSD**	**LTA**	**LIQ**	**ROA**
MV/BV	1							
OCGD	-0.091	1						
BMSD	.200	.09	1					
FID	.200	.093	.09	1				
OSD	.200	.128	.145	.310	1			
LTA	-0.137	-0.005	.145	.085	.013	1		
LIQ	-.364*	-0.189	.228	.034	.138	.493	1	
ROA	-0.149	-.305*	.297	.177	.070	0.245	.316*	1

Correlation is significant at the ** 0.01 level * at the 0.05 level

Table 1 shows the maximum and minimum value of market to book ratio that ranges from 14.27 to 93 with standard deviation 36.70.Overall corporate governance disclosure index has standard deviation 9.9 with minimum and maximum value of 52 and 88 respectively. So, corporate governance disclosure has less dispersion in developing economy like Pakistan. While correlation matrix shows that there is no serious issue of multicollinearity

Panel Data Regression Analysis

Table 3

Variables	Predicted sign	Reg. 1	Reg. 2	Reg. 3	Reg. 4
OCGD	+				0.17 (0.081)*
BSMD	+	234.72 (0.06)***			11.537 (0.76)
FID	+		0.542 (0.57)		1.271 (0.58)
OSD	+			0.736 (0.01)***	0.021 (0.008)**
LTA	+	12.615 (0.54)**	12.99 (0.41)	-13.96 (0.38)	33.823 (0.52)
LIQ	+	10.232 (0.13)	11.76 (0.34)	8.74 (0.405)**	9.343 (0.42)
ROA	+	2.982 (0.09)***	3.04 (0.06)***	2.87 (0.06)***	3.657 (0.02)***
R square		0.28	0.3	0.3	0.35
Adj R^2		0.244	0.285	0.323	0.525

*, **, *** represents critical values at .10,.05,.01
Reg= Regression
Adj R^2 = Adjusted R^2

The above table shows results of overall corporate governance disclosure and its sub-indices that are board, and management disclosures, ownership structure disclosure that includes information related to pattern of shareholders like percentage of shareholders and information about annual general meeting etc. and financial information disclosure. Results of regression 1 shows the overall disclosure with the firm value. It shows positive and significant impact of overall corporate governance disclosure on firm value with 0.583 adjusted R square which is according to hypothesis and also conforms earlier researches (M. Al-Akra and M.J. Ali, 2012).

It was assumed that larger firms disclose more information which creates value for firm. According to Chow and Wong-Boren (1987) larger firms have large number of resources, have large asset base and are more organized then smaller firms. All these factors support higher level of disclosures. Firm size which is measured in terms of logarithm of total asset have positive and significant impact on dependent variable which is according to earlier findings. (M. Al-Akra and M.J. Ali , 2012). Liquidity have positive and significant relationship disclosures as it was expected that leveraged firms disclose more information because creditors act as external monitor have an important role in minimizing agency issue M. Al-Akra and M.J. Ali 2012). Return on Assets has positive and significant impact as it is argued by (Meek et al.,1995) that highly profitable firms disclose more information to show superior performance in the market. However, more detailed analysis on relationship between profitability and disclosure by Lang and Lundholm (1993) conclude that relationship of profitability with disclosure is positive only for organizations which have greater information asymmetry. It means in Pakistan, investors at time of investment decisions, consider the disclosures related to corporate governance.

Results of sub-indices of corporate governance are reported by applying regression 2, 3 and 4. Results of second model exhibits positive and significant relation with dependent variable and has value of adjusted R square 0.24. Second model contains the data of sub-indices i.e. board and management structure. In all three-sub indices, ownership structure has highest value of adjusted R square i.e. 0.32, which means investors give more weightage to ownership structure disclosures at the time of investment decisions.

In regression 5, all variables are included. OCGD, OSD and ROA have positive and significant impact on the value relevance of firms listed on Pakistan Stock Exchange. Adjusted R square is 52.5% which shows the overall fitness of model. This conclusion is supported by earlier studies conducted by Lang and Lundholm (1993), M. Al-Akra and M.J. Ali (2012), Lan, Wang and Zhang (2013) and Gisbert and Navallas (2013).

5. Conclusion and Limitation

This paper empirically examines the impact of corporate governance disclosures on the value of firms. For this purpose, fifty firms listed on Pakistan Stock Exchange were analyzed for time period from 2010 to 2013 by employing regression analysis. Firm value is measured by using ratio of market to book value. An index is adopted to check the disclosure of corporate governance items. First, overall corporate governance is used to analyze its impact on firm value. Further, investigation is brought by analyzing three sub-indices: board and management disclosures, financial information disclosure and ownership structure disclosure.

Results show significant impact of disclosures on value of firms. But, in sub-indices ownership structure is more value relevant, as indicated by the value of adjusted R square, when compared to other two sub-indices. This indicates that investors consider ownership structure more value relevant while at the time of taking investment decisions.

This research has implications for both disclosure and value relevance literature. Results of this research confirm earlier findings Lang and Lundholm (1993), M. Al-Akra and M.J. Ali (2012). Although, theory supports the fact that disclosure enhance the value of firms but there is less empirical evidence to support this prediction in developing economy like Pakistan, However, findings of this research provide empirical evidence that increase in level of corporate governance disclosure enhance the value of firm due to increase in level of confidence of investors. Moreover, disclosures reduce the information asymmetry. In addition, it is also reported in results that control variable size of firm has significant impact.

In addition, over the past few years, Pakistan has witnessed fast development in its financial reporting. So, this research has a number of implication particularly related to investment environment in Pakistan. In Pakistan, companies has to disclose more information related to corporate governance in their annual reports to increase confidence of investors that in turn creates value for firm. This study has also implications for policy makers in Pakistan as it supports their current efforts to disclose more information about corporate governance that promotes transparency and reduces information asymmetry. Companies can also increase value of the firm by increasing functional capabilities, such as marketing strategies which includes Islamic marketing. Islamic marketing depends on ethical marketing which guides disclosing each pros and cons of product.

This study has some limitations. This study used corporate governance disclosure index like some other empirical studies conducted on disclosures. Due to this fact, study can have subjectivity in the process of scoring. Small sample size is another limitation of this study. However, use of panel data overcome this limitation or on other side increasing sample size or incorporating companies from Asian countries might be open avenues for further research. It has focus only on one type of disclosure that is related to corporate governance.

Finally, study used only annual reports for checklist of disclosure despite the availability of other resources such as website, conference call and press releases. However, in Pakistan, the main source of information to investors are annual report, due to this reason preference to this source of information is given over other sources.

References

Al-Bassam, Waleed M., et al. "Corporate boards and ownership structure as antecedents of corporate governance disclosure in Saudi Arabian publicly listed corporations." *Business & Society* (2015): 0007650315610611.

Botosan, C. A., &Plumlee, M. A. (2002).A re-examination of disclosure level and the expected cost of equity capital. Journal of Accounting Research, 40(1), 21−40.

Bark, J. B. (1995).A critique of size-related anomalies. Review of Financial Studies, 8(2), 275−286.

Bujaki, M. and McConomy, B. (2002), “Corporate governance: factors influencing disclosure by publicly traded Canadian firms”, Canadian Accounting Perspectives, Vol. 1 No. 2, pp. 105-39.

Belkaoui, R.A., Kahl, A., 1978. Corporate financial disclosure in Canada. Research Monograph of the Canadian Certified General Accountants Association, Vancouver.

Chow, C.W. and Wong-Boren, A. (1987), “Voluntary financial disclosure by Mexican corporations”, Accounting Review, Vol. 62 No. 3, pp. 533-41.

El-Gazzar, S.M. and Fornaro J.M. (2003). An Empirical Investigation of Corporate Voluntary Disclosure of Management’s Responsibilities for Financial Reporting. Lubin School of Business Faculty [Working Papers], Pace University.

Francis, J., La Fond, R., Schipper, K., 2004. Costs of equity and earnings attributes. The Accounting Review 79 (4), 967–1010.

Fishman, M., & Hagerty, K. (1989). Disclosure decisions by firms and the competition price efficiency. Journal of Finance, 44(3), 633−646.

Gelb, D.S., Zarowin, P., 2002. Corporate disclosure policy and the informativeness of stock prices. Review of Accounting Studies 7, 33–52.

Gupta, P. (2008). *Corporate Governance in Indian Banking Sector* (Doctoral dissertation, University of Nottingham).

Hassan, O.A.G., Romilly, P., Giorgioni, G., Power, D., 2009. The value relevance of disclosure: evidence from the emerging capital market of Egypt. The International Journal of Accounting 44, 1–24.

Hellstrom, K., 2006. The value relevance of financial accounting information in a transition economy: the case of the Czech Republic. European Accounting Review 15 (3), 325–349.

Javed, Attiya Y., and Robina Iqbal. "The Relationship between Corporate Governance Indicators and Firm Value: A Case Study of Karachi Stock Exchange." *Working Papers & Research Reports* 2007 (1961): 2007-14.

Kusumawati, D.N. (2006). Profitability and Corporate Governance Disclosure: An

Indoneian Study, Simposium Nasional Akuntansi 9 Padahg, 23-26 Agustus, K-INT-14,pp-1-19.

La Porta, R., Lopez-de-Silanes, E. and Shleifer, A. (1999), "Corporate ownership around the world", Journal of Finance, Vol. 54 No. 2, pp. 471-517.

Lang, M.H., Lins, K.V., Miller, D., 2003. ADRs, analysts, and accuracy: does cross listing in the U.S. improve a firm's information environment and increase market value? Journal of Accounting Research 41 (2), 317–345

Orens, R., Aerts, W. and Lybaert, N. (2009), "Intellectual capital disclosure, cost of finance and firm value", Management Decision, Vol. 47 No. 10, pp. 1536-54.

Oman, C.P. (2001), ''Corporate governance and national development'', Working Paper No. 180, OECD Development Centre, Organisation for Economic Co-operation and Development, Paris.

Patel, S., Balic, A. and Bwakira, L. (2002), "Measuring transparency and disclosure at firm level", Emerging Markets Review, Vol. 3 No. 4, pp. 325-37.

Rabelo, F. and Vasconcelos, F. (2002), "Corporate governance in Brazil", Journal of Business Ethics, Vol. 37 No. 3, pp. 321-35.

Rahman, A.R. (2002), "Incomplete financial contracting, disclosure, corporate governance and firm value – with evidence from a moderate market for corporate control environment", available at SSRN: http://ssrn.com/abstract ¼ 348304 or DOI: 10.2139/ssrn.348304

Reed, D. (2002), "Corporate governance in developing countries", Journal of Business Ethics, Vol. 37 No. 3, pp. 223-47.

Rouf (2012), The Financial Performance and Corporate Governance Disclosure: A Study in the Annual Reports of Listed Companies of Bangladesh, Pak. J. Commer. Soc. Sci. 2012 Vol. 6 (1), 01-11

Silva, W.M., Alves, L.A.L., 2004. The Voluntary Disclosure of Financial Information on the Internet and the Firm Value Effect in Companies Across Latin America.<http://ssrn.com/>.

Skinner, D.J., 1994. Why firms voluntarily disclose bad news. Journal of Accounting Research 32(1), 38–60.

Wallace, R.S.O., Naser, K., 1995. Firm specific determinants of the comprehensiveness of mandatory disclosure in the corporate annual reports of firms listed on the stock `exchange of Hong Kong. Journal of Accounting and Public Policy 14, 311–368.

Yakasai, A.G. (2001), "Corporate governance in a third world country with particular reference to Nigeria", Corporate Governance, Vol. 9 No. 3, pp. 238-53.

Fernald, J., & Rogers, H. J. (2002).Puzzles in the Chinese stock market. The Review of
Economics and Statistics, 84(3), 416–432.

Hope, Ole-Kristian, Tony Kang, and Joung W. Kim. "Voluntary disclosure practices by foreign firms cross-listed in the United States." *Journal of Contemporary Accounting & Economics* 9.1 (2013): 50-66.

Bushee, B. J., & Leuz, C. (2005). Economic consequences of SEC disclosure regulation: Evidence from the OTC bulletin board. Journal of Accounting and Economics, 39(2), 233−264

Chen, C.J.P., Jaggi, B., 2000. Association between independent non-executive directors, family control and financial disclosures in Hong Kong. Journal of Accounting and Public Policy 19, 285–310.

Forker, J.J., 1992.Corporate governance and disclosure quality. Accounting and Business Research 22 (86), 111–124.

Ananchotikul, N., 2007. Does foreign direct investment really improve corporategovernance?EvidencefromThailand.Retrievedfromhttp:// www.bot.or.th/Thai/EconomicConditions/Semina/MonthlyWorkshop/MonthlyWorkshop/June51_CGpaperNasha.pdf

Garay, U., Gonzalez, M., 2008. Corporate governance and firm value: the case of Venezuela. Corp. Gov. 16 (3), 194–209.

Hung, Mingyi."Accounting standards and value relevance of financial statements: An international analysis." *Journal of accounting and economics* 30.3 (2000): 401-420.

Barth, Mary E., William H. Beaver, and Wayne R. Landsman. "The relevance of the value relevance literature for financial accounting standard setting: another view." *Journal of accounting and economics* 31.1 (2001): 77-104.

Holthausen, R.W., Watts, R.L., 2001. The relevance of the value relevance literature for financial accounting standard setting. Journal of Accounting and Economics 31, this issue