

## **CORPORATE GOVERNANCE ISSUE TO THE BUSINESS FAILURE**

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### **Abstract**

Corporate governance is the process to control and direct the companies for long term results. There has been many ways to achieve this via good corporate governance but failure of some big companies raised various questions and issues. This study is motivated by the numerous reforms to strengthen the efficacy of corporate boards and their oversight committees, in the wake of high profile corporate failures. The empirical question, however, is whether recent proposals would enhance board and their committee effectiveness and in this way, reduce the likelihood of firm's failure. This study examines whether the composition, structure and functions of corporate boards and their interactions are related to the probability of corporate failure.

The objective of this study is to find out the relationship between Corporate Governance issue and the Business Failure. As the methodology of this study, the all data will be collected through the secondary sources. The corporate governance will be measured by the terms; Accountability, Integrity, Transparency and Efficiency. The Business Failure will be measured by the Liquidity ratio, Defaulting long term loans, Continues losses, resigning top management people without refilling and over trading of the selected firms.

The conclusion of this study is; there is a relationship between Corporate Governance and the Business Failure. Also there is a significant impact on Business Failure from the Corporate governance issue.

**Key Words:** Corporate Governance, Business Failure, Accountability, Integrity, Transparency, Efficiency, Liquidity ratio, Defaulting long term loans, Continues losses