

Abstract

The aim of this thesis is to examine the relationship of all corporate governance indicators with firm performance (proxied by price to book value) and tax fees. Using a sample of 133 large U.S firms, in a single model, we explore the correlation of price to book value with board of director's structure (composition and size). Our results show that smaller and younger boards with less independent directors lead to a higher firm performance. We further find that presence of women on board is important rather than their number. The outcome of the study shows also that financial expertise of audit committee members has a significant and positive influence on the amount of tax fees.

Overall, the results suggest that board characteristics are important and they influence firm performance.

Keywords: board of directors, firm performance, price to book value, governance indicators, tax fees.