

The Relationship between Corporate Governance Mechanisms and their Functions for Companies listed in Tehran Stock Exchange

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Abstract

Capital market is considered as an index of economic prosperity. Therefore, it seems necessary to heed to this factor. Stock exchange performs an important and essential role in all countries' economic development. In fact, stock market steer money as well as the deed capital of society to procreative organizations. Financial statements are the key parameters in decision making process in capital markets. They display the final results of operational activities during a financial period and it is also declared as an essential base for decisions, evaluation models, as well as stock pricing. This study investigates the relationship between liquidity ratios as depend variable and company's jurisdiction as explanatory variable.

The results of this study show that there is no positive or negative relation between liquidity and institutional stock holders' ratios of irresponsible managers, separation of chairman of the board of directors and managing director and internal auditor.

Key words: Institutional stock holders, Irresponsible managers, Internal auditor, Chairman of the board of directors, Corporate governance