

**JOINT EFFECTS OF OWNERSHIP STRUCTURE, AGENCY COSTS, AND LIQUIDITY ON FIRM VALUE:
THE CASE OF INDIA**

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ABSTRACT

Similar to Western firms, Asian firms in rapidly developing markets like India need to account for corporate governance issues. Prior research has examined the effect of variables such as ownership structure, agency costs, and liquidity individually on firm value. However, little research has been done as how these variables interact with each other and affect firm value jointly. This paper empirically examines the joint effects of ownership structure, agency costs, and liquidity on the firm value for a sample of 136 Indian firms. Using a partial least squares regression - to account for possible multicollinearity - the findings show that the correlated variables of ownership structure, agency costs and liquidity have a joint significant effect on firm value.

Keywords: *Corporate governance, India, agency costs, ownership structure, liquidity, firm value, PLS*