

Abstract

Corporate governance refers to set of systems, principles and processes by which a company is governed. It provides guidelines that adds to the value of the company and is beneficial to all the stakeholders. Fundamentally, there is a level of confidence that is associated with a company that is known to have good corporate governance. On the other hand, product market competition can act as ultimate source of discipline as Economists have argued. This paper examines the relationship between product market competition and corporate governance whether they act as substitutes or complement each other in explaining firm's performance across industries.