EFFECTS OF LIQUIDITY CRISIS ON FINANCIAL INSTITUTIONS IN THE MULTI-CURRENCY ERA.

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ABSTRACT

This project investigates the impact of corporate governance on the ability of a company to continue as a going concern. It was triggered by the recent collapsing of some companies in Zimbabwe of which governance issues were pointed to be one of the major cause to the demise of these firms, which were once blue chip companies. Mismanagement of company funds, unjustified large sums of remuneration for the directors. The research investigates to what extent does poor governance of firms lead to their downfall. The researcher use descriptive and analytical analysis of data. The analysis was on three public listed companies doing business for the past three years. The research also employs the use of financial ratios such as Return on Assets (ROA) and Return on Capital Employed (ROCE) to analyze data. It has been unearthed that claims on corporate governance do not always hold in all economies with their various and different operating climates. Despite the fact that good governance is practiced, a company can still perform poorly, proving that it’s not governance issues alone, but it’s governance and other factors which can lead to the collapsing of a company, though the latter is on top as researchers have proved, hence raising the need to emphasize more on this matter, which has become a talk of the global economy.