

Definition and measure of variables

Variable	Description & Measurement
Dependent Variable	
ROA	Return on Assets is the ratio of net profit before taxes and total assets.
ROE	Return on Equity is the ratio of net profit before taxes and total equity.
Tobin's Q	The sum of market capitalization plus the book value of total liabilities and preferred stock divided by the book value of total assets.
Stock Returns	Return from Stock
Independent Variables	
<i>Board Attributes</i>	
B SIZE	Number of directors in the board.
B IDP	Number independent Directors in the board.
FEM DIRECT	Number female directors to total directors in the board.
FAM DUAL	Presence of family members in the board as director.
BOARD DILIGENCE	Number of meetings conducted by the board of directors.
<i>Audit Committee Attributes</i>	
AC SIZE	Number of members in the audit committee.
AC COMP	Number of non-executive directors in the audit committee.
AC DILIGENCE	Number of meetings conducted by audit committee.
AC_HEAD	Whether Chairperson of audit committee is an independent director or not.
<i>Control Variables</i>	
Log Asset (Firm Size)	Natural logarithm of total assets.
Age	Number of Operations of the business.

Collinearity Test

Variable	VIF	1/VIF
B SIZE	1.38	0.722482
B IDP	1.58	0.632633
FEM DIRECT	1.28	0.783183
FAM DUAL	1.37	0.728625
BOARD DILIGENCE	1.18	0.850425
AC SIZE	1.40	0.715429
AC COMP	1.24	0.804583
AC DILIGENCE	1.21	0.824481
AC HEAD	1.36	0.736504
Log Asset	1.63	0.611844
Age	1.42	0.702236
Mean VIF	1.37	