Ain Shams University
Faculty of Commerce
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Department

Assessing and Interpreting the Impact of Internal Control Mechanisms on the Firm's Performance: An Applied Study

A Thesis Submitted in Partial Fulfillment of the Requirements of Master Degree in Accounting

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بسم الله الرحمن الرحيم

"وَفَوْقَ كُلِّ ذِي عِلْمٍ عَلِيمٌ"

القران الكريم،
"سورة يوسف"، آية

صدق الله العظيم

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Dedication

I would like to dedicate this thesis to my mother, Esmat Abdel Razik. This is for you, Mom. Thanks for always being there for me. Also, I would like to dedicate it to the soul of my father, Mahmoud Omran and my aunt, Farida El Shazly, may they rest in peace. I am sure that they would have been so proud of this work.… Love you forever.…

Abstract

Assessing and Interpreting the Impact of Internal Control Mechanisms on the Firm's Performance: An Applied Study. Master Thesis (2018)

Purpose – The purpose of this study is to investigate the impact of Internal Control Mechanisms which are Ownership Concentration, Capital Structure and Growth Opportunities on both Financial and operational Firm's Performance.

Design/Methodology/Approach- A panel data regression analysis is conducted for the period 2010-2015. The researcher utilized a random-effects model to control firm size and time effects that may influence the performance of the firm.

Findings- This study provides evidence that Internal Control Mechanisms have significant impact on the performance of the firm financially and operationally. Ownership Concentration and Growth Opportunities are positively associated with both the financial and Operational firm's performance. Additionally, Financial Leverage (as a proxy for Capital Structure) is negatively associated with both the financial and operational performance of the firm.

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