



## Minority Shareholders' Rights and Audit Quality: Empirical Evidence from Turkey

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Minority shareholders' rights, audit quality, Turkey.

### **Jel Classification**

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### **Abstract**

The objective of this paper is to examine the relationship between minority shareholders' rights and audit quality. Specifically, this paper examines the influence of minority shareholders' with at least 10% holdings on clients' demand for strong monitoring mechanisms, particularly in terms of high audit quality. The sample comprises the top 100 listed firms on the Borsa Istanbul (BIST) for 2014 and 2015. The finding of this paper is aligned with the propositions of the agency theory that minority shareholders with at least 10% holdings improve clients' demand for high audit quality. The findings of this paper have some implications for future studies on the role of minority shareholders to monitor management activities. This paper calls for future studies in the area of accounting and finance to introduce and operationalize a new measurement of Type II agency cost in order to better understand the agency conflicts within this unique market as well as the state of the minority shareholders on the BIST.