

Independent study title	STOCK LIQUIDITY AND STOCK PRICE CRASH RISK
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ABSTRACT

A relationship between stock liquidity and stock price crash risk is examined in the study. Liquidity can be served as a means to observe managers of firms. Managers are less likely to hoard bad news when liquidity is increased due to lower monitoring costs and better price informativeness. The results show negative relationship between stock liquidity and stock price crash risk for Thai firms. This suggests that improving liquidity also enhance firms' corporate governance.

Keywords: Liquidity, Crash Risk, Corporate Governance