

The study aimed at developing a model that predict the probability of failure of companies operating in the developing economies using financial ratios and non-financial ratio. The logit model was the main statistical tool applied. A matched sample design was used. Three models were developed and compared; a model consisting of financial ratios only (Model 1), non-financial ratios only (Model 2) and both financial and non-financial ratios (Model 3). From the study, comparatively Model 3 is more efficient in predicting the corporate failure status in one year from now. Prediction of failure status of a corporate entity therefore should consider both financial and non-financial variables. JEL classification numbers: G3 Keywords: Corporate failure, corporate governance, logit model, log-likelihood, Ghana Stock Exchange