In this dissertation, I explore the determinants and effects of the liability dollarization and currency mismatch through exchange rate fluctuations on non-financial firms in Turkey for the period of 2005 to 2014. Relatively recent experience of financial crises in East Asia and Latin America prompted a discussion on the role of the currency composition of debt on firm performance and fragilities. Following this discussion, my dissertation investigates the case of Turkey. Having constructed a novel hand collected firm level dataset on the currency composition of assets and liabilities as well as the derivatives of the listed and non-listed nonfinancial firms in Turkey, I assess (i) the extent and magnitude of liability dollarization over time; (ii) the empirical identification of the determinants; (iii) and the consequences of liability dollarization and currency mismatch on firm performance in general and fixed investment in particular.