Analysis of Relationship Between Market Reactions and Long Term Performance on Acquisitions

Nababan, Tongam Sihol and Nababan, Sere Eva and Tampubolon, Bantu

University of HKBP Nommensen, Medan, Indonesia

June 2005

ANALYSIS OF RELATIONSHIP BETWEEN MARKET REACTIONS AND LONG TERM PERFORMANCE ON ACQUISITIONS

Sere Eva Nababan, T. Sihol Nababan, Bantu Tampubolon

Abstrak

Tulisan ini adalah studi tentang hasil penelitian yang memberikan perhatian pada aktivitas akuisisi yang dilakukan oleh perusahaan-perusahaan pengakuisisi *(acquirer)*. Tujuan utama penelitian ini adalah untuk melihat bagaimana reaksi pasar *(market reaction)* akan memberikan tuntunan atas gambaran kinerja perusahaan-perusahaan pengakuisisi dalam jangka panjang. Dalam studi ini digunakan 39 perusahaan pengakuisisi yang telah melakukan akuisisi dalam periode waktu antara tahun 1991 sampai dengan 1998. Studi ini menerapkan metode *event study* dengan menggunakan *market model* untuk menghitung *abnormal return*.

Uji hipotesis yang digunakan adalah adalah *One Sample T-test, Multiple Regressions, Wilcoxon Signed-Rank Test* dan *Manova Test*. Hasil pengujian hipotesis menunjukkan bahwa pihak perusahaan pengakuisisi menerima *negative abnormal return* yang signifikan di sepanjang tanggal akuisisi. Hal ini mengindikasikan bahwa peristiwa akuisisi menghasilkan *return* yang lebih rendah dari *predicted return* yang diprediksikan oleh pemegang saham perusahaan pengakuisisi. Dalam studi ini ditunjukkan beberapa factor yang mempengaruhi *abnormal return* seperti : *financial synergy, size of acquirer, managerial efficiency, growth of acquirer*, dan *business relatedness*. Hasil dari pengujian hipotesis terhadap terhadap factor-faktor tersebut menunjukkan bahwa tidak satupun dari variabel tersebut yang memberikan nilai yang signifikan. Hal ini berarti bahwa motif-motif akusisi tersebut bukan merupakan motivasi bagi pengakusisi untuk terlibat dalam aktivitas ekuisisi.

Untuk menilai kinerja perusahaan-perusahaan pengakusisi dalam jangka panjang, digunakan *proxy* yakni : ROA, ROE, OPM. Hasil pengujian menunjukkan bahwa secara keseluruhan tidak ada perbedaan yang signifikan antara kinerja sebelum dan sesudah akuisisi. Ini berarti bahwa umumnya perusahaan-perusahaan pengakuisisi tidak mempu mengintegrasikan *gain* terhadap kinerja jangka panjangnya.

Keywords : acquisition, long term performance, market reaction, abnormal profit

1. INTRODUCTION

1.1. Background

For global enterprises, organizations in the new or next economy will win or lose are determined by how well they manage their alliances strategy. The things really matter to business executives now and in the future are some others: core competencies, relationships, changing technologies, flexible organizations and new kind competition. Those matters have something to do with business alliances. This research refers business alliances to acquisition activities.

Acquisition has different meaning and characteristic. In this research there are some definitions about acquisitions. According to Moin (2003), acquisition can be defined as the take over of ownership or controlled of one's company asset by another company. In this term either acquiring companies or acquired companies independently exist as corporate body. Azevedo (1999) said that acquisition takes place when one company acquirers the voting stock of other company, or its assets. The acquired company will still exist as a legal unit and then be included as a subsidiary in an individual group. Then, PSAK (Pernyataan Standar Akuntansi Keuangan in Moin, 2003) No.22 defined acquisition as an activity where acquirer and acquiree agree to join their business activity. Acquirer will have a control upon net assets and business operation of acquiree.

Some others expert on acquisition practices come up with a definition of acquisition as a close, collaborative relationship between two or more firms, with the intent of accomplishing mutually compatible goals that should be difficult for each to accomplish alone. At this point it may say that acquisition activities involve at least two partners and each of them has their own interest. The main endeavor to be tied up in relationship is to obtain mutually compatible goals.

It is documented that early merger and acquisition movement had mostly occurred in United Stated since 1890s. At that time motives for merger and acquisition were propelled by sustained growth of economic and significant changes in business environment. Eventually merger and acquisition activity becomes more pervasive and now exceeds the US area. There are many international companies involved in such activity, like Daimler Benz and Chrysler; HP and Compaq; Exxon and Mobil Oil; and so on.

Acquisition activity continues to grow in Indonesia. People become more familiar with this term as it is brightened up by some merger events such as the merger of Bank Mandiri, Bank Permata, Indofood-Bogasari, Kalbe Farma-Dankos, and so on. In Indonesia merger/acquisition activity was started in 1970s. It predominantly conducted by acquirers company that has been go public. At that time the motive for merger was tax reduction.

Acquisition implies that there is a set of operating norm exists among partners who are expected not to act in self-interest that would be detrimental to others. It also implies that there is a notion of voluntary involvement rather than coercion. The great expectation behind this decision is a reciprocal behavior.

Merger becomes one activity that gives a great impact to stakeholders. Experts posit that merger is a sort of controversial and dramatical event. It is not merely as a strategic alternative but also a financial transaction to create value to shareholders, to increase economies of scale so as to compete with others. Strategically executives must begin with maintaining stand-alone performance from the announcement of the deal right through the post-acquisition integration process. Since investors have priced heavily to build a future expectation into today's valuation, acquirer's stock will suffer if there is any indication of deteriorating performance at either of the combining business. Combined company should be able to change the economics of either the acquirer's or target's business, otherwise the acquisition will create no additional value and the premium will be lost.

Market reaction to merger and acquisition announcement will inaugurate a good predictor of subsequent performance (Weston, et.al., 2001). Most of the time acquisition deals will determine how the stock market will react. If the market judges that the deal will succeed the initial market is likely to be favorable. If market judges negatively, the response is just the opposite. Some empirical studies show that in post acquisition performance target firms pursue more substantial gains than acquiring companies. You, Caves, Smith, and Henry (Weston et.al, 2001) gave a conclusion that mean return to target company for 133 mergers during the period 1975-1984 was about 20%, while return to shareholders of acquiring companies were a negative 1%.

In Indonesia some researchers conduct some studies around merger/acquisition. Saiful (2003) contended that target companies experience a positive abnormal return surrounding merger/acquisition announcement. Furthermore he found that abnormal return of target firm is higher than that of non-target firms. Seputro (2002) in his research gave a conclusion that merger/acquisition activity do not give any synergism effect towards profitability and efficiency but increase book value of the firms. Then, Rahmawati (2000) holding 36 samples summarized that acquisition gave an additional wealth for shareholders about 22.73%.

The idea of choosing this topic is merely triggered by curiosity of how an acquisition works financially. It is quite interesting to find out that not only a couple could make marriage but also company. Several studies have been conducted on acquisitions activity. Much of them focus only on certain area, namely market reaction, acquisition motives, long-term performance. This research will delineate a complete extension upon market reaction to acquisitions event and simultaneously identify how it is related to long-term performance. We may learn that some forces have been driving the changes of the increased alliances activities like merger and acquisitions. Foremost is technological change that is impacting every industry. The way of doing such business will continue and as for now it has far reaching to pharmaceutical, chemical, auto, tire and petroleum industries.

Finally, the mergers and acquisitions is just one of choices that need scrutiny evaluation. The challenge here is to make sure the deal would be a good fit today and into the future, strategically, financially and operationally for the purchaser. Potential acquisitions should be considered at a variety of levels. Financial models should be developed which evaluate the future impact on company's revenue, product mix, gross profit margins, selling costs, overhead and more.

I.2. Problem Identification

This research investigates the relationship between market expectations and long-term performance of acquisitions decision. The problem arises here is whether the market reaction driven by the motivation of acquisitions such as: financial synergy, size of acquirer, managerial efficiency, growth of acquirer, and business relatedness creates long-term value.

I.3. Objectives of the Research

The objectives of this research are: 1). to investigate whether acquisitions activity creates abnormal return, 2). to explain whether motives for acquisitions affect magnitude of Cumulative Abnormal Return (CAR), 3) to find the variations in market reaction at the time of acquisitions and to relate them with a long term performance.

I. 4. Contribution

This study is expected to give benefit for: 1) other researchers who need information concerning with the result of the study, 2) management of the company that needs additional insight about a phenomenon of acquisitions, 3) public as an additional knowledge to more understand the impact of acquisitions.

2. FRAMEWORK OF RESEARCH AND HYPOTHESIS

Several studies has been conducted on acquisitions event. Some of them focus on market reaction and acquisition motives and some others focus only on long-term performance. In this research the attention is devoted to determine market reaction to acquisition date and to determine some variables that enhance the value of acquisitions event and simultaneously identify how those valuation effects consistently portray the long-term performance, particularly the performance of acquiring companies.

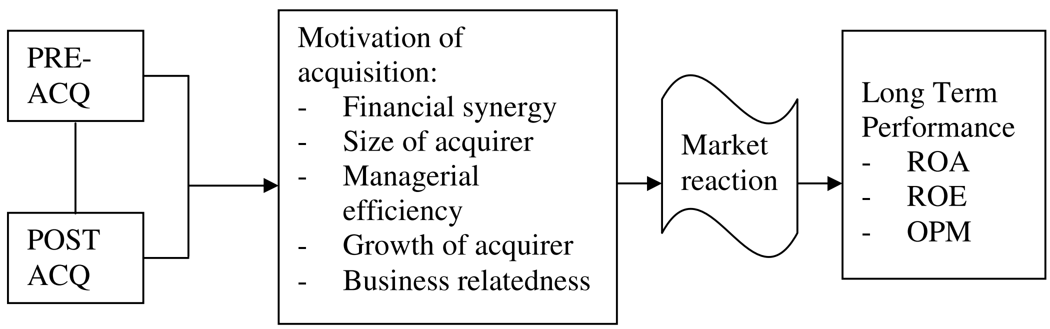
There are several value enhancements encouraging some firms engaged in acquisition activities. This research will examine and test some variables or factors that will represent how acquisition enhances value. Those variables, considered as the market expectations, will be examined on how they match with long-term performance.

In general studies on the effect of acquisitions event determine positive abnormal return surrounding activity announcement. It conceives that acquisition announcement contains information content. Theoretically acquisition activities extend some strategic motives, namely: financial synergy, size of acquirer, managerial efficiency, growth of acquirer, and business relatedness.

Particularly some of the research on acquisitions event predicts the longer-term performance of merging company. Some researchers postulated that acquisition activities contribute a positive effect upon performance of merged partners. It is occurred as synergism motives can be maintained.

The framework of the research can be depicted as follow:

Figure 1
Framework of Research



In order to test the market reaction towards acquisitions and its relationship with the long-term performance, several hypotheses were formulated as follow :

H_1: Acquisition events generate a significant positive abnormal return surrounding the acquisition date.

H_2: Financial synergy represented by current ratio and debt ratio, size of acquirer, managerial efficiency, growth of acquirer, business relatedness have a positive influence on cumulative average abnormal return.

H_3: Defined as the rate of return on assets (ROA), rate of return on equity (ROE), operating profit margin (OPM), acquirer firms would perform better after the acquisition event than prior to the acquisition event.

3. RESEARCH METHODOLOGY

3.1. Data Resources

The characteristic of the data is secondary data which are: acquisition date, date of listing, daily stock price, composite stock price index or Index Harga Saham Gabungan (IHSG), and financial statement as of December 31. Data are collected from various resources, such as: Pusat Data Bisnis Indonesia, Harian Bisnis Indonesia, Indonesian Capital Market Directory, JSX Statistic, PDPM FE-UGM.

3. 2. Sample Selection

In this research the population is defined as completed acquiring companies that has been listed in the Jakarta Stock Exchange. Sample is determined as purposive sampling. Purposive sampling in the research is confined to specific type of criteria set by the researcher (Sekaran, 2003).

To be included in the sample, the following criteria must be satisfied:

a. The companies- acquiring companies- is manufacturing firms and must be listed in the Jakarta Stock Exchange.
b. The acquisitions must be completed in the period from 1991 through 1998. The reason for choosing this period because it is in 1990s Indonesian Capital Market experienced resurgence. Since then acquisition is perceived as an avenue for improving business competition.
c. There is financial statement available at least two year before the acquisition date and three years after the acquisition takes place.
d. The date of acquisition must be clearly recorded.

Based on those criteria, the total numbers of acquisition deals are 39 bidder companies. All firms considered as the sample disclosed in Table 3.1.

Table 1
The List of Bidder and Target Companies Engaged
In Acquisition Activity During 1991-1998

No	Code	Bidder	Date of Listing	Target	Acquisition Date
1	MYOR	Mayora Indah	7/4/1990	Sinar Pangan Timur	3/20/1991
2	ASII 1	Astra International	4/4/1990	Federal International Finance	7/18/1991
3	JPFA	Japfa Comfeed Indonesia	11/23/1989	Suri Tani Pemuka	11/7/1991
4	SQBI	Squibb Indonesia	3/29/1983	Bristol Myers Indonesia	11/6/1991
5	RDTX	Roda Vivatex	5/14/1990	Chitatex Peni	7/28/1991
6	INTP	Indocement Tunggal Prakarsa	12/5/1989	Aneka Pangan Dwitama	1/1/1992
7	MLPL	Multipolar Corporation	11/6/1989	Sharestar Indonesia PT	2/26/1992
8	TGKA	Tiga Raksa Satria	6/11/1990	Sari Husada	3/17/1992
9	HDTX	Panasia Indosyntec	6/6/1990	Panasia Filamen Inti	3/31/1992
10	POLY	Polysindo Eka Perkasa	3/12/1991	Texmaco Perkasa Engineering	4/30/1992
11	MDRN	Modern Photo Film	7/16/1991	Honoris Industry	5/22/1992
12	UNIC	Unggul Indah Corporation	11/06//89	Petrocentral	8/12/1992
13	UNSP	Bakrie Sumatra Plantation	3/6/1990	BLP Rubber Inc.at Lewis&Peat	5/28/1993
14	BAYU	Bayu Buana Travel Service	10/3/1989	Putra Serasi Pioneerindo	7/20/1993
15	SMRA	Summarecon Agung	5/7/1990	Daksawira Perdana PT	8/14/1993
16	DYNA	Dynaplast	8/5/1991	Rexplast Corporation	2/21/1994
17	VOKS	Voksel Electric	12/20/1990	Alcarindo Prima	3/10/1994
18	GGRM	Gudang Garam	8/27/1990	Surya Pamenang	3/31/1994
19	SHDA	Sari Husada	8/5/1983	PT Sugizindo	5/20/1994
20	SKBM	Sekar Bumi	1/5/1993	Sekar Mulia	6/10/1994
21	BNBR	Bakrie & Brothers	8/28/1989	Bakrie Sumatera Plantation	7/15/1994
22	PWON	Pakuwon Jati	10/9/1989	Pakuwon Dharma	7/18/1994
23	SMAR	Smart Corporation	11/20/1992	Kresna Duta Agroindo PT	8/16/1994
24	SMCB	Semen Cibinong	8/10/1977	Semen Nusantara PT	11/25/1994
25	MYTX	Apac Citra Centertex	10/20/1989	Bestexindo Busana Industry	3/29/1995
26	SAFE	Steady Safe	8/15/1994	Bank Papan Sejahtera	6/1/1995
27	HMSP	Hanjaya Mandala Sampoerna	8/15/1990	PD & Industri Panamas	6/29/1995
28	SONA0	Sona Topas Industry	7/21/1992	Avesta Continental Pack	7/14/1995
29	SMGR	Semen Gresik	7/8/1991	Semen Padang	8/10/1995
30	GJTL	Gajah Tunggal	5/8/1990	Andayani Megah	8/8/1996
31	CPPR	Central Proteinaprima	5/14/1990	Charoen Pokphand Indonesia PT	8/31/1996
32	TLKM	Telekomunikasi Indonesia	11/14/1995	Citra Sari Makmur PT	11/8/1996
33	ASGR	Astra Graphia	11/15/1989	Mitracorp Footwear International PT	1/24/1997
34	DILD	Dharmala Intiland	1/15/1990	Menara Kadin Indonesia PT	3/7/1997
35	MEDC	Medco Energy Corporation	10/12/1994	Stanvac Indonesia	7/10/1997
36	IMAS	Indomobil Sukses International	11/15/1993	Indomulti Inti Industries PT	10/23/1997
37	PICO	Pelangi Indah Canindo	9/23/1996	Intipelangi Drumasindo PT	11/25/1997
38	LPLD	Lippo Land Development	7/15/1991	Lippo Karawaci	12/9/1997
39	ALMI	Alumindo Light Metal Industry	1/2/1997	Maspion Stainless Steel Indonesia PT	3/2/1998

Source: Pusat Data Bisnis Indonesia

3. 3. Data Analysis

To assess first hypothesis, this research uses an event study methodology with market model. Event study methodology is applied to obtain abnormal return. Abnormal return is calculated by subtracting the actual return for that day for the firm with the predicted return. The formula is shown as follow:

$$\mathbf{AR = R_{jt} - E(R_{jt})}$$

where : AR= Abnormal Return, R_{jt} = Actual return, $E(R_{jt})$ = Expected Return.

It is important first to determine the event window. This research estimates 31 days event period, 20 days before acquisition date and 10 days after acquisition date (-20, +10). The steps to calculate abnormal return as a means in hypothesizing (Weston et.al., 2001) are : 1) determine the acquisition date, 2) calculate predicted/expected return, $(E(R_{jt}))$, for each day.

This research applies market model. The market model is formulated as:

$$\mathbf{R_{jt} = \alpha_j + \beta_j R_{mt} + \epsilon_{jt}}$$

where α_j : mean return over the period not explained by the market.

β_j: Sensitivity of firm j to the market

R_{mt}: Return on a market index for day t.

ϵ_{jt}: Statistical error term, $\sum \epsilon_{jt} = 0$

The intercept and slope, α (alpha) and β (beta), are estimated using daily returns 300 days before the acquisition date. The measure of risk (β) that is used is corrected beta. The purpose of choosing corrected beta as to anticipate a non-synchronous trading. The corrected beta is obtained from PDPM FE UGM. The market return is composite stock price index or Index Harga Saham Gabungan (IHSG). The market model is estimated by running a regression for the days in this period.

To determine a significant value for hypothesis testing, one-sample T-test is employed. Computer program will be used for computation of statistical significance. Computer program that are available for use is SPSS 11 for Windows and Microsoft Excel Data Analysis.

If the statistical test shows a significant value upon the previous statistical hypothesis then next hypothesis can be computed. Further hypothesis is associated with factors that influence the market reaction. It is expected that the changes of abnormal return be motivated by several synergy reasons, such as: financial synergy, size of acquirer, managerial efficiency, growth of acquirer, and business relatedness. The hypothesis model is operationalised as:

CAAR = f (financial synergy, size of acquirer, managerial efficiency, growth of acquirer, business relatedness).

CAAR: Cumulative Average Abnormal Return.

The second hypothesis is tested using multiple regressions. Procedures used to test the hypothesis are: 1) Calculate CAAR as the dependent variable. Regarding to significant value of abnormal return, CAAR was analyzed surrounding window period (-20, +10 days), 2) Calculate the independent variables consist of :

a) Financial synergy represented by debt ratio (DEBRAT) and current ratio (CURRAT), **b)** Size of Acquirer (ACQSIZE) measured as natural logarithm of its total assets at the time of acquisition, **c)** Managerial Efficiency (MANEFF) calculated by dividing market capitalization by net asset, **d)** Growth of Acquirer (ACQGROW) measured as a growth of total sales during the three years prior to the acquisition, **e)** Business Relatedness (RELAT). Business relatedness is a dummy variable. It is equal to one for acquisition in similar business line (related acquisition) and zero otherwise.

The multiple regressions model is expressed in this following equation:

$$CAAR = \beta_0 + \beta_1\,CURRAT + \beta_2\,DEBRAT + \beta_3\,ACQSIZE + \beta_4\,MANEFF + \beta_5\,ACQGROW + \beta_6\,RELAT.$$

In multiple regressions analysis, it is necessary beforehand to conduct a test of classical assumption so as to determine any potential problems. The tests of classical assumption of multiple regressions are *normality, multicolinearity, heteroscedasticity, and autocorrelation.*

In order to explore the third hypothesis or how the influence of acquisition deals on long-term performance, a comparison of the post acquisition with pre-acquisition performance values was designated. The performance indicators used in the analysis consists of variables capturing profitability ratio, ROA/ROI, ROE, OPM.

The statistical analysis consists of Wilcoxon Signed-Rank, Test One Sample T-Test and Multivariate Anova (MANOVA) of pre- and post acquisition performance of acquirer firms. The Wilcoxon test is directed to test hypothesis $H_{3,}$ One Sample T-Test is applied to indicate the mean value of performance indicator differences is less than zero. The test is directed to provide significant positive sign so that it infers that long-term performance enhance improvement. Manova test would provide an enough evidence to support the result of Wilcoxon Signed-Rank Test upon hypothesis $H_{3.}$ In this case Manova test would simultaneously test all performance variables. Manova test can be stated in the following forms: **Y_1+ Y_2 + Y_3 (metric) = X_1 (nonmetric)**, where : Y_1 = Return on Asset (ROA), Y_2 = Return on Equity (ROE), Y_3 = Operating Profit Margin (OPM), X_1 = before acquisition and after acquisition. Statistical test is conducted in term of time period as follow: **1)** One year prior and one year after acquisition date, **2)** One year prior and two year after acquisition date, **3)** One year prior and three year after acquisition date, **4)** Two year prior and one year after acquisition date, **5)** Two year prior and two year after acquisition date, **6)** Two year prior and three year after acquisition date.

4. RESEARCH FINDINGS AND DISCUSSION

4.1. The Result of Descriptive Statistic

Table 2 displays the result of descriptive statistic for actual return of acquiring company for 31 days window period (-20, +10). From the table can be learned that prior to the event there are 65% average negative actual return and 35% average positive return. After the event there are 60 % average negative actual return and 40% positive average return. On the acquisition day the average actual return is positive. The highest value of average return is exhibited on day 10 after the acquisition (0.0113) whereas the lowest one (-0.0003) on day 6 after the acquisition. Overall, there is high discrepancy between minimum and maximum value. It is shown by standard deviation value that is higher than 30% of mean.

Table 2
Descriptive Statistics for Actual Return

Event Period	N	Minimum	Maximum	Mean	Std. Deviation
-20	39	-0.1163	0.1000	-0.0045	0.0306
-19	39	-0.2558	0.0721	-0.0022	0.0478
-18	39	-0.1020	0.0909	-0.0011	0.0299
-17	39	-0.1250	0.2000	0.0012	0.0499
-16	39	-0.0833	0.1429	0.0035	0.0380
-15	39	-0.0909	0.1795	0.0054	0.0411
-14	39	-0.0625	0.0556	-0.0019	0.0248
-13	39	-0.1765	0.0667	-0.0055	0.0346
-12	39	-0.2143	0.0820	-0.0098	0.0417
-11	39	-0.0909	0.0471	-0.0054	0.0273
-10	39	-0.5695	0.0980	-0.0134	0.0963
-9	39	-0.2000	0.0462	-0.0126	0.0396
-8	39	-0.0278	0.0750	0.0019	0.0160
-7	39	-0.0729	0.0734	-0.0039	0.0233
-6	39	-0.1720	0.0600	-0.0099	0.0416
-5	39	-0.2000	0.0476	-0.0063	0.0392
-4	39	-0.1333	0.1818	0.0012	0.0445
-3	39	-0.5758	0.0769	-0.0175	0.0990
-2	39	-0.0446	0.1667	0.0068	0.0327
-1	39	-0.0400	0.0444	-0.0006	0.0132
0	39	-0.0714	0.0833	0.0015	0.0239
1	39	-0.2000	0.2308	-0.0027	0.0539
2	39	-0.1875	0.0625	-0.0054	0.0412
3	39	-0.1667	0.0769	-0.0015	0.0349
4	39	-0.1000	0.2963	0.0056	0.0545
5	39	-0.0804	0.0828	-0.0007	0.0244
6	39	-0.0667	0.1111	-0.0003	0.0250
7	39	-0.0980	0.1368	-0.0013	0.0307
8	39	-0.0506	0.0857	0.0012	0.0212
9	39	-0.2286	0.3000	0.0083	0.0646
10	39	-0.0422	0.3846	0.0113	0.0658

Source : Data Processing

Descriptive statistic in Table 3 displays the general picture of the independent variables. It shows that size of acquirer has the highest average value of 13.295 (1,329 %). For all of the independent variables there is high discrepancy between minimum and maximum value. It is shown by standard deviation value that is higher than 30% of mean. From the table it also shows that there is 56% acquiring firms acquire the same related business line.

Table 3
Descriptive Statistics for Company Specific Motives

Company Motives	N	Minimum	Maximum	Mean	Std. Deviation
Current ratio	39	.48764	4.60557	1.7516631	.97004525
Debt ratio	39	.15076	2.38532	.5403867	.34887990
Size of acquirer	39	10.19791	16.69376	13.2952638	1.46914732
Managerial efficiency	39	.05290	15.67169	1.2286215	2.55201011
Growth of acquirer	39	-.12446	4.77266	.7477277	1.08193948
Business relatedness	39	0	1	.56	.502

Source : Data Processing

4. 2. The Result of The Market Reaction.

The analysis primarily would like to indicate the movement of the return of acquiring firms upon the acquisitions event. The first thing would like to ensure is to determine the availability of informational content surrounding the event. The numbers of acquiring companies to be included in the sample are 39 companies that have completed the acquisition during 1991 –1998.

The results from employing the event study methodology showed that the abnormal return gives *positive* and *negative* value. Positive abnormal return will indicate that the actual return of the shares is higher than expected return around the event period. The negative abnormal return will indicate that actual return is lower than the expected return predicted by the shareholders of bidder firms. Table 4 briefly displays the result One-Sample T-Test of AAR of acquiring firms. The movement of AAR and CAAR is illustrated in Figure 2 and Figure 3.

Table 4 shows that bidder companies experiencing positive AAR prior to the event is 41.03% and those with negative AAR is 58.97%. At the time of the event the average number of bidder companies that have positive AAR is 61.54% and those with negative AAR is 38.46%. After the acquisition the bidder companies that experience positive AAR is 41.03% and those with negative AAR is 58.97%. Results show a significant positive AAR in day 15, day 14 and day 8 (t = -15, -14, -8) prior to acquisition date. Negative AAR are more pervasive surrounding the event, which is significant at day 9, day 7, and day 1 before the acquisition date (t = -9, -7, -1), and at day 1, day 6 after the acquisition (t = 1, 6). Along with the AAR, the movement of cumulative average abnormal return shows a downward trend, which is illustrated in Figure 2. In general the result indicates that the acquisition provide a significant negative abnormal return. This comes to conclusion that the acquisition activity does not generate value to shareholders of acquiring company.

The result of this study concerning the abnormal return around the acquisition is somewhat inconsistent with the study of Raj and Forsyth (retrieved June 2004), Rahmawati (2000), Weston et.al.(2001), Yeh and Yasuo (2002), Saiful (2003), who find that acquiring firms earn significant positive abnormal return surrounding the acquisition event.

Table 4
One-Sample T-Test of AAR of Acquiring Firms

Window Period	N	Mean	Test Value = 0	
			T	df
-20	39	-0.0111	-1.2292	38
-19	39	-0.0034	-0.4274	38
-18	39	-0.0070	-0.8951	38
-17	39	0.0015	0.1676	38
-16	39	0.0035	0.5581	38
-15	39	0.0137	**2.1903	38
-14	39	0.0087	**1.9806	38
-13	39	0.0032	0.4353	38
-12	39	0.0018	0.2161	38
-11	39	-0.0052	-0.9515	38
-10	39	-0.0174	-1.0667	38
-9	39	-0.0120	**-1.8050	38
-8	39	0.0071	*1.6474	38
-7	39	-0.0087	*-1.6793	38
-6	39	-0.0076	-1.1147	38

-5	39	-0.0093	-1.2261	38
-4	39	0.0025	0.2910	38
-3	39	-0.0159	-0.9787	38
-2	39	0.0041	0.5392	38
-1	39	-0.0092	**-1.7965	38
00	39	0.0034	0.7829	38
1	39	-0.0094	*-1.4703	38
2	39	-0.0036	-0.5904	38
3	39	0.0058	1.0395	38
4	39	0.0071	0.6236	38
5	39	-0.0075	-1.0072	38
6	39	-0.0112	**-2.1874	38
7	39	-0.0018	-0.3267	38
8	39	-0.0002	-0.0484	38
9	39	0.0064	0.6773	38
10	39	0.0066	0.7348	38

* Statistical significant at the 10%
** Statistical significant at the 5%
Source : Data Processing

Figure 2. Average Abnormal Return of Acquirer Surrounding The Event Period

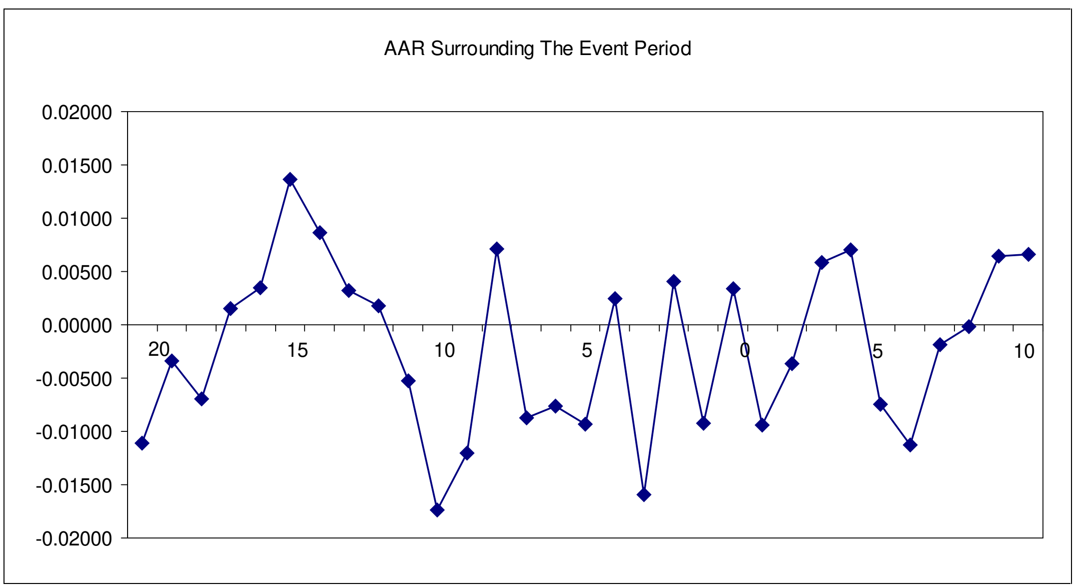
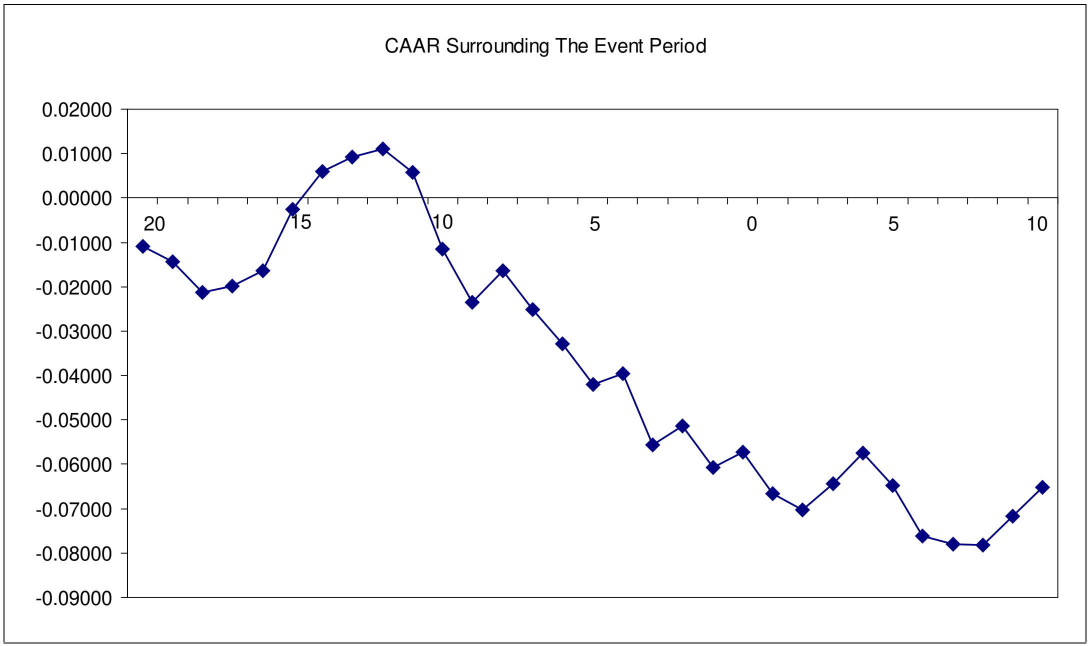


Figure 3. Cumulative Average Abnormal Return of Acquirer
Surrounding The Event Period



4. 3. Factors That Influence The Abnormal Return of Acquiring Firms.

For the analysis of second hypothesis, this study uses multiple regressions. It will indicate the cross-sectional analysis between cumulative average abnormal return and several variables explaining the variation effect on CAAR. Furthermore, it is used to determine whether and how the return of acquiring firm responses the changes of each acquisition motive. In this section the statistical test is conducted to test the hypothesis assuming that the driving forces towards the initiation of acquisition activity is associated with particular reasons of bidding firms.

The dependent variable is CAAR employed during the event window (-20, +10). As for independent variables are company-specific acquisition motives, namely: financial synergy, size of acquirer, managerial efficiency, growth of acquirer, and business relatedness.

Results from using multiple regressions to conduct analysis are disclosed in Table 5. Adjusted coefficient of determination (Adjusted R square) indicates that –12% variation of CAAR can be explained by those independent variables. The value of R Square shows a weak relationship between CAAR and the six independent variables

Table 5
Multiple Regression of Cumulative Average Abnormal Return On Acquisition Event

Regression Statistics			
Multiple R	0.2401		
R Square	0.0576		
Adjusted R Square	-0.1191		
Standard Error	0.0092		
Observations	39		
ANOVA			
	Df	*F*	*Sig F*
Regression	6	0.3262	0.9183
Residual	32		
Total	38		
	Coefficients	*Standard Error*	*t Stat*
Intercept	0.0046	0.0175	0.2640
Current ratio	-0.0019	0.0018	-1.0749
Debt ratio	0.0028	0.0069	0.4121
Size of acquirer	-0.0003	0.0012	-0.2724
Managerial efficiency	-0.0002	0.0010	-0.1579
Growth of acquirer	-0.0002	0.0015	-0.1059
Business relatedness	-0.0004	0.0037	-0.1009

Source : Data Processing

As an overall test of significant, it is shown by the value of F test of 0.315 with the significant value of 0.924 (92.4%), which is higher than α = 5%. It contributes information that there is no significant relationship present between CAAR and the six independent variables. One-Sample T-test gives further test. A test is conducted to determine the significant value of each individual independent variable. The result displays that none of each variable approve of giving sufficient evidence. Company specific acquisition motive variables, such as: financial synergy, size of acquirer, managerial efficiency, growth of acquirer, business relatedness, cannot explain the acquisition motives of acquiring companies.

Throughout the test, it is inferred that acquisitions activity could not be enhanced by acquirers' motives of acquisition. It might be imply that decision to deal with acquisition is initiated by the non-economic reasons such as: to maintain the performance of the firm as to keep away from bankruptcy, pay an excessive premium for target and not being able to create sufficient value from the deal (hubris hypothesis or agency problem), more prone to overconfidence, and so on.

The result of this analysis is in contrast to the study of Nilmawati (2003). She finds at least two variables earn significant value related to factors associated with change in CAAR, unrelated acquisition and the size of target companies. Those bidding firms involved in unrelated business acquisition generate positive reaction from the market. The size of target firms relatively to the bidder firms earns significant value. It determines that bidder firms earn positive abnormal return if they acquire bigger target firms. The results also do not conform to the findings of Raj and Forsyth (retrieved June 2004). They find that bidding firms acquiring target firm of similar business line gain significant positive abnormal return.

The result of business relatedness of this research is roughly consistent with the finding of Barney (1988). Barney determines that one of the factors affecting the abnormal return is business relatedness. He finds that bidding firms does not generate abnormal return when they acquire related target firm.

The results of regressions analysis also indicated that a test of classical assumption meet the assumption of normality, multicolinearity, heteroscedasticity, and autocorrelation.

4. 4. Long Term Performance.

The analysis before shows that the acquisition motives have apparently not been able to fully materialize the changes of CAAR. However, it is possible to assess the longer-term horizon of acquisition activity. The measures of long-term performance are ROA, ROE and OPM.

The hypotheses are tested using Wilcoxon Signed-Rank Test. The purpose of this test is just to learn whether or not the performance before and after the acquisition is identical. In this case, the Wilcoxon test is applied to assess the hypothesis H_3. Along with the Wilcoxon test, One Sample T-Test and Manova test are employed to determine whether the performance indicators, ROA, ROE and OPM.

The Wilcoxon Signed-Rank Test and Manova Test for the first hypothesis is disclosed in Table 6. One Sample T-Test is disclosed in Table 7.

Table 6
Wilcoxon and Manova Test

Time Period	WILCOXON TEST			MANOVA TEST (OVERALL PERIOD)
	PERFORMANCE INDICATORS			
	ROA	ROE	OPM	
	Z test			F test
One year before and one year after the acquisition	**-3.021	-1.521	-1.214	1.635
One year before and two year after the acquisition	**-2.317	-1.479	-0.656	1.928
One year before and three year after the acquisition	**-3.224	**-2.135	-1.409	2.416
Two year before and one year after the acquisition.	**-2.456	-0.614	-0.949	1.705
Two year before and two year after the acquisition	**-2.344	-1.354	-0.447	1.817
Two year before and three year after the acquisition	**-3.168	**-2.067	-1.144	2.361

** Statistical significant at the 5%
Source : Data Processing

Table 7
One Sample T-Test

Time period	PERFORMANCE INDICATORS					
	ROA		ROE		OPM	
	Mean	T- test	Mean	T- test	Mean	T- test
One year before and one year after the acquisition	-0.0646	**-2.4092	-0.2215	-1.1422	-0.0407	-1.3530
One year before and two year after the acquisition	-0.0385	**-2.4624	-0.0263	-0.3120	-0.3236	-1.0260
One year before and three year after the acquisition	-0.0903	**-2.6195	0.2674	0.5253	-0.0860	**-1.6907
Two year before and one year after the acquisition	-0.0608	**-2.3795	-0.2094	-1.0855	-0.0919	-1.4189
Two year before and two year after the acquisition	-0.0347	**-2.3026	-0.0142	-0.1710	-0.3748	-1.2142
Two year before and three year after the acquisition	-0.0865	**-2.5609	0.2795	0.5491	-0.1371	**-1.7657

** Statistical significant at the 5%
Source : Data Processing

From the table, both Wilcoxon and T test, it is learned that using a level of significant of $\alpha = 0.05$, ROA is significantly different in one year prior and one year after the acquisition date. However, for two others variable, ROE and OPM, is not statistically significant. This shows that with $\alpha = 0.05$ the hypothesis H_3 can be realized as defined by ROA, whereas the result do not have enough evidence to support H_3 in term of ROE and OPM.

To determine how those performance measurement would simultaneously different in pre-acquisition period from post acquisition period, Manova (multivariate Anova) test is employed. From the table it is reported that F statistic is 1.635 with significant value of 0.189, which is higher than $\alpha = 5\%$. It shows that as a whole the all three-performance measurement does not reach significant differences for one year before and one year after the acquisition.

Table 6 and Table 7 respectively report the Wilcoxon test and T-test for performance in one year before and two year after the acquisition. It is learned that with a level of significant $\alpha = 5\%$, only ROA experience significant differences of the three variables of performance indicators. The others variables display no significant differences. Manova test shows F test of 1.928 and significant value of 1.132. This implies that overall the differences in performance for one year before and two year after is not significant.

As seen in Table 6, the performance in one year before and three year after in terms of ROA and ROE are significantly different with a level of significant $\alpha = 5\%$. This gives evidence that hypothesis H_3 can be realized defined as ROA and ROE whereas the hypothesis H_3 does not seem to be supported in terms of OPM. However the results from employing One Sample T-Test, which can be seen in Table 7, show that with a level of significant $\alpha = 5\%$, ROA and OPM provide a significant negative value. Manova test yield the F value of 2.416 with significant value of 0.073. Again it implies that there are no significant differences in performance between one year before and three year after the acquisition.

Table 6 and Table 7 display the result of statistical test for two year before and one year after the acquisition. It can be seen that only ROA is significantly different. In order to test all variables simultaneously, Manova test is employed. It shows insignificant value indicating that the acquisition activity could not enhance the performance of acquiring firms. The performance in two year before and two year after are only significant when performance was measured as ROA (sig. < α = 0.05). The two other variables, ROE and OPM, display no significant differences. For Manova test is learned that overall, the performance in two year before and two year after is not significantly different.

Table 6 presents the Wilcoxon test in two year before and three year after the acquisition date. It shows that with significant level α = 5%, two of the three indicators, ROA and ROE, is significantly different in two year before and three year after the acquisition date. This finding supports the hypothesis H_3 in terms of ROA and ROE. Table 7 presents the T-test. It is learned that with significant level α = 5%, ROA and OPM reveal a significant negative value. Result from using Manova test explains that performance for two year before is not statistically different from that of three year after the acquisition date. It can be seen as the result of F test of 2.361 and significant value is 0.078.

In addition to ensure the effect of acquisition towards the bidder firms, the analysis also calculate the non-parametric Wilcoxon Signed-Rank Test One Sample T-Test and Manova Test for Year One to Year Three after acquisition date. The period acquisition event is treated as a time basis. Table 8 provides the result of Wilcoxon and Manova test Analysis of three years long-term performance measures and Table 4.8 provides the result of One Sample T-Test.

Table 8
Wilcoxon and Manova Test For Year 1 to Year 3 After Acquisitions.

Time Period	PERFORMANCE INDICATORS						Overall Period	
	ROA		ROE		OPM			
	Z Test	Asym. Sig	Z Test	Asym. Sig	Z Test	Asym. Sig	F test	Sig.
Year 1	**-2.477	0.013	-0.97	0.332	-1.535	0.125	0.767	0.516
Year 2	-0.781	0.435	-0.181	0.856	-0.726	0.468	1.439	0.238
Year 3	**-2.986	0.003	-1.451	0.147	-1.647	0.1	1.515	0.218

** Statistical significant at the 5%
Source : Data Processing

Table 9
One Sample T-Test For Year 1 to Year 3 After Acquisitions.

Time period	PERFORMANCE INDICATORS					
	ROA		ROE		OPM	
	Mean	T- test	Mean	T- test	Mean	T- test
Year 1	-0.0431	**-2.1312	-0.0954	-0.4484	-0.0248	-1.6136
Year 2	-0.0170	-1.0569	0.0998	1.0514	-0.3077	-1.0264
Year 3	-0.0688	**-2.0073	0.3935	0.7530	-0.0700	-1.5744

** Statistical significant at the 5%
Source : Data Processing

By comparing the data on year of acquisition event with each of the three years after the acquisition, ROA experience significant differences in one year and three year after the acquisition. Two other variables, ROE and OPM, report insignificant value for all three year after acquisition. The Manova test analysis shows that the differences in performance for year to year are not statistically significant. It is provided by the significant value of more than $\alpha = 5\%$.

An assessment of the hypothesis testing of long-term performance of acquiring firms by using Wilcoxon Signed-Rank, One Sample T-Test, and Manova test inferred several points:

a. For all time period, using Wilcoxon test and T-test, it is learned that only ROA indicates significant values.
b. As to Manova test, it indicates that overall the acquisition decision does not lead to performance improvement.

The result obtained from the test is consistent with the findings of Sholikah (2001), Andrean (2003) and Widyaningrum (2002) who cite that more often acquiring firms do not succeed in maintaining long-term performance. In some cases these results are not similar to DeLong (2003), Vennet (1996), Madura and Wiant (1994) who find that long-term performance would pronounced if some conditions are satisfied such as: focus on similar earning stream, involving inefficient acquirers, experience poor pre-acquisition performance and low pre-acquisition growth.

5. CONCLUSION AND RECOMMENDATION

5.1. Conclusion

Results from using One-Sample T-test provide an evidence showing that the market react relatively in doubt to accept the information about the acquisition event. It is reflected as average abnormal return experiences the fluctuated value. By observing 31 days window period, Average Abnormal Return (AAR) earns significant positive value at day 15, day 14 and day 8 before the acquisition date (t = -15, - 14, - 8). The significant negative value is found at day 9, day 7, and day 1 before the acquisition date (t = -9, -7, -1), and at day 1, day 6 after the acquisition (t = 1, 6). In this case the investor might perceive that acquisition activity do not favored by the market, thus decreasing shareholders wealth.

By examining the specific acquiring firm motivations of acquisition, it is found that none of each variable approve of giving sufficient evidence of disparity of CAAR. It implies that initiation to involve in acquisition deal may be attributed to some non-economic motives, such as: to maintain the performance of the firm as to keep away from bankruptcy, pay an excessive premium for target and not being able to create sufficient value from the deal (hubris hypothesis or agency problem), more prone to overconfidence, and so on. This result is consistent with the result of AAR showing that the market has little faith towards the success of acquisition.

Differing performance levels over the time period designated the analysis of long-term performance. The results indicate that based on Wilcoxon test there are two variables generate significant differences, namely ROA and ROE while One Sample T-test generates significant values for ROA and OPM. For all time period ROA in pre-acquisition is statistically different from post-acquisition, whereas ROE and OPM are statistically significant in one year before, three year after acquisition date and two year before, three year after the acquisition. The results of both statistical tests provide the negative and significant value for the hypothesis on ROA, ROE and OPM. It indicates the inverse expectation between pre- and post- acquisition performance. As an overall result, which is computed by Manova test, it is learned that the acquisition activity does not affect on performance improvement.

These results are consistent with the market reaction, which is in doubt to predict the success of the acquisition over the long-term performance. Along with the result of hypothesis 2, it can be postulated that several reasons why long-term performance is deteriorated in the following years after the acquisition is also related to non-economic reasons, as follows:

1. The management side might only concern to the rapid increase of total balance sheet so that the merged firms experience a large amount of expense.
2. Acquisition may also perceive as a mean to obtain prestige. In such a case large acquisition will invite the media attention so that enhance the firm rankings.
3. The management might be overconfidence in creating value from acquisition. It ensures that acquirer companies pay an excess premium so that the value of shareholders of acquiring firms is decreasing.
4. After the acquisition completed, the merged companies may not be willing to restructure to achieve the potential cost savings.
5. The problem may also come from human factors. In this kind of situation the merged companies have a big problem in integrating different business culture.

5. 3. Recommendations

Based on the analysis and conclusions, here are some recommendations:

1. To provide further understanding about the effect of acquisition on long-term performance, it is suggested to apply a detailed approach. So, it would be able to discern of to what extent the acquisition will deteriorate the performance of combined firm.
2. It might be directional if the study of acquisitions is conducted by designing particular categorical observation. For instance, a study separately examines the acquisition activities based on focusing and diversifying acquisition or horizontal and vertical acquisition.

3. It is possible to employ other performance indicators rather than using the financial ratios as a measure of long-term performance.
4. The total number of sample in this research is quite small, so it is possible to add sample data obtained from various sources.

===================================

REFERENCES:

Azevedo, Joao. 1999. "Why Do Companies Merge?: Merger Motives and Determinants". Strategy and International Business. Retrived: June 2004. From: www.tuta.hut.fi.

Barney, Jay B. 1998. "Returns To Bidding Firms In Mergers and Acquisitions: Reconsidering The Relatedness Hypothesis". Strategic Management Journal, Vol.9. pp.71-78.

Boedijoewono, Noegroho, Drs. 2001. "Pengantar Statistik Ekonomi dan Perusahaan". Jilid 2. Edisi Revisi. Yogyakarta: Unit Penerbit dan Percetakkan AMP YKPN.

Bower, Joseph L. 2001. "Not All M&As Are Alike And That Matters". Harvard Business Review. March. pp. 93-101.

Brigham, Eugene F. & Philip R. Daves. 2002. "Intermediate Financial Management". Seventh Edition. United States of America: Thomson Learning, Inc.

Deloitte Consulting and Deloitte&Touche. "Solving The Merger Mystery: Maximizing The Pay Off of Mergers and Acquisitions". Retrieved: February 2004. From: www.dc.com/services/mergers/index.asp.

DeLong, Gayle. 2003. "Does Long-Term Performance of Mergers Match Market Expectation?: Evidence from the US Banking Industry". Financial Management.

Gaughan, Patrick A. 2002. "Mergers, Acquisitions, and Corporate Restructurings". Third Edition. New York: John Wiley & Sons, Inc.

Hadiputranto, Hadinoto & Patners. 2003. "Guide To Mergers & Acquisitions: Indonesia". Retrieved: May 2004. From: www.hhp.co.id.

Hall, Ernest. H, Jr. 1995. "Corporate Diversification and Performance: An Investigation of Causality". Australian Journal of Management. Vol. 20 No. 1. pp. 25-41.

Hair, Joseph F., Jr., Rolph E. Anderson, Ronald L. Tatham. 1998. "Multivariate Data Analysis". Fifth Edition. New Jersey: Prentice Hall, Inc.

Hyland, David C., David J. Diltz. Spring, 2002. "Why Firms Diversify: An Empirical Examination". Financial Management. pp. 5-35.

Hildebrand, David K., Lyman Ott. 1991. "Statistical Thinking For Managers". Third Edition. United States of America: PWS-KENT Publishing Company.

Jogiyanto, Dr. H.M., M.B.A., Akt. 2003. "Teori Portofolio dan Analisis Investasi". Edisi 3. Yogyakarta: BPFE.

Kustianto, Bambang, Drs., M.A. 1998. "Statistika Untuk Ekonomi dan Bisnis". Yogyakarta:BPFE.

Madura, Jeff & Kenneth J. Wiant. 1994. "Long Term Valuation Effects of Bank Acquisitions". Journal of Banking & Finance, Vol.18. pp. 1135-1154.

Moeller, Sara B., Frederik P. Schlingemann, Rene M. Stulz. 2003. "Do Shareholders of Acquiring Firms Gain From Acquisitions?". Retrieved: June 2004. From: www.cob.ohio-state.edu.

Moeller, Sara B., Frederik P. Schlingemann, Rene M. Stulz. 2003. "Firm Size and The Gains From Acquisitions". Journal of Financial Economics. pp. 1-37.

Moin, Abdul. 2003. "Merger, Akuisisi & Divestasi". Yogyakarta: CV. Adipura.

Nilmawati. 2003. "Analisis Pengaruh Pengumuman Merger dan Akuisisi Terhadap Return Saham Bidder dan Target di BEJ". Tesis, tidak diterbitkan. Magister Management UGM.

Nugroho, Eryawan Budi. 2002. "The Impact of Acquisitions Towards Stock Return of Target Companies in Jakarta Stock Exchange". Tesis, tidak diterbitkan. Magister Management UGM.

Pakereng, Yulitamila. 2001. "Pengaruh Pengumuman Merger". Tesis, tidak diterbitkan. Magister Management UGM.

PeopleSoft, Inc. 2001. "Poised For Growth: Mergers, Acquisitions, and HRMS". Retrieved: February 2004. From: www.peoplesoft.com

Rahmawati, Eka Nuraini. 2000. "Pengaruh Pengumuman Merger dan Akuisisi Terhadap Return Saham Target di BEJ". Tesis, tidak diterbitkan. Magister Sains UGM.

Raj, Mahendra Professor, Michael Forsyth. "The Long Term Performance of UK Mergers and Acquisitions: Separation by Bidder Motivation". Retrieved: June 2004. From: www.uwi.tt/financeconference/

Saiful. 2003. "Abnormal Return Perusahaan Target dan Industri Sejenis Sekitar Pengumuman Merger dan Akuisis". Jurnal Riset Ekonomi dan Manajemen, Vol. 3 No. 1, Hal. 76-90.

Saprianto, Feri. 2003. "Analisis Dampak Akuisisi Terhadap Nilai Perusahaan". Tesis, tidak diterbitkan. Magister Management UGM.

Sawir, Agnes. 2000. "Analisis Kinerja Keuangan dan Perencanaan Keuangan Perusahaan". Jakarta: PT Gramedia Pustaka Utama.

Sekaran, Uma. 2003. "Research Methods for Business". Fourth Edition. United States of America: John Wiley & Sons, Inc.

Seputro, Edi. 2002. "Pengaruh Merger Terhadap Profitibilitas, Effisiensi, dan Nilai Guna Perusahaan". Tesis, tidak diterbitkan. Magister Management UGM.

Sholikah, Nur. 2001. "Pengaruh Merger dan Akuisisi Terhadap Kinerja Perusahaan Perbankan Publik Di Indonesia". Jurnal Bisnis dan Manajemen, Vol. 1, No. 1, Hal. 17-41.

Stybel, Laurence J., Dr and Maryanne Peabody. "The Life Cycle of Mergers/Acquisitions". Retrieved: February 2004. From: http://www.boardpoints.com.

______. "The Indonesian Capital Market Law and Regulations". Retrieved: May 2004. From: www.bappepam.go.id.

Sumarliyah. 1996. "Sekilas Mengenai Merger dan Akuisisi". Bank & Manajemen. Juli/Agustus. Hal. 24-27.

Vennet, Rudi Vander. 1996. "The Effect of Merger and Acquisition on The Efficiency and Profitability of EC Credit Institutions". Journal of Banking & Finance, Vol. 20 pp. 1531-1558.

Weston, J. Fred, Kwang S. Chung, Susan E. Haag. 1990. "Mergers, Restructuring and Corporate Control". New Jersey: Prentice-Hall, Inc.

Weston, J. Freud & Samuel C. Weaver. 2001, "Merger and Acquisition". United States:McGraw-Hill

Weston, J. Freud, Juan A. Siu, Brian A. Johnson. 2001. "Take Overs, Restructuring & Corporate Governance". New Jersey: Prentice-Hall, Inc.

Wibowo, Satrio. 1996. "Kinerja Saham Akuisitor Jangka Panjang Setelah Akuisisi (Perbandingan Antara Akuisisi Konglomerasi dan Non-Konglomerasi di BEJ)". Tesis, tidak diterbitkan. Magister Management UGM.

Widyaningrum, Retno. 2002. "Pengaruh Jangka Panjang Merger dan Akuisisi Setelah Moneter Terhadap Saham di BEJ: Perbandingan Akuisisi Internal dan Eksternal". Tesis, tidak diterbitkan. Magister Management UGM.

Yeh, Tsung-Ming and Yasuo Hoshino. 2002. "The Impact of M&As on Shareholder Wealth: Evidence From Taiwanese Corporations". The Developing Economies, XL-4.

==========================

Tentang Penulis :

Sere Eva Nababan, lahir di Balige, Kabupaten Toba, 8 Januari 1979. Gelar Sarjana Ekonomi (S-1) Jurusan Manajemen diperoleh dari Fakultas Ekonomi Universitas HKBP Nommensen (UHN) Medan tahun 2001. Gelar S-2 Magister Manajemen (MM) diperoleh dari Program Pascasarjana Universitas Gajah Mada (UGM) Yogyakarta dan De La Salle University, Philippine tahun 2004. Saat ini bekerja sebagai karyawan di salah satu perusahaan swasta.

T. Sihol Nababan, lahir di Siborongborong, Tapanuli Utara, 7 Mei 1966. Gelar Sarjana Ekonomi (S-1) diperoleh dari Universitas Sumatra Utara (USU) Medan tahun 1990. Gelar S-2 Magister Sains (MSi) di bidang Perencanaan Wilayah diperoleh dari Progran Pascasarjana Universitas Sumatra Utara (USU) Medan tahun 2000. Saat ini sedang mengikuti Program S-3 (Doktor) Ilmu Ekonomi di Universitas Diponegoro (UNDIP) Semarang. Sejak tahun 1992 sampai sekarang menjadi Dosen Tetap di Fakultas Ekonomi Universitas HKBP Nommensen (UHN) Medan.

Rusliaman Siahaan, lahir tanggal 10 Nopember 1963. Gelar Sarjana Ekonomi (S-1) Jurusan Manajemen diperoleh dari Fakultas Ekonomi Universitas HKBP Nommensen (UHN) Medan tahun 1986. Gelar S-2 Magister Manajemen (MM) diperoleh dari Program Pascasarjana Universitas Gajah Mada (UGM) Yogyakarta tahun 1996. Saat ini bekerja sebagai dosen tetap di Fakultas Ekonomi UHN Medan dan menjabat sebagai Sekretaris Jurusan Manajemen Fakultas Ekonomi.