



اَبُو بَكْرٍ سَيِّدُنَا تَبٰرَكَ وَتَعَالٰى اَوَّلُ كَلِمَةٍ مِّنْهَا
UNIVERSITI
TEKNOLOGI
MARA

**ANALYSIS ON FINANCIAL PERFORMANCE AND
EFFICIENCY CHANGES OF COMPANIES FOR
PRE AND POST ACQUISITIONS ACTIVITY**

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DECEMBER 2012

LETTER OF TRANSMITAL



3rd January 2013

The Head of Programme
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Dear Sir,

SUBMISSION OF PROJECT PAPER (FIN 667)

Attached is the project paper entitle **ANALYSIS ON FINANCIAL PERFORMANCE AND EFFICIENCY CHANGE OF COMPANIES FOR PRE AND POST ACQUISITIONS** to fulfil the requirement as needed by the Faculty of Business Management, Universiti Teknologi Mara.

Thank you.

Yours faithfully,

.....

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ACKNOWLEDGEMENT

All my praises and gratitude to Allah, the Beneficent, the Merciful for His kindness and for those people who always helped and supported me in successful completion of this study. First and foremost, I wish to express my deepest gratitude to Mr Ahmad Bukhari Bin Mohd Yasin and Miss Siti Norbaya Binti Mohd Rashid for their invaluable ideas, time, patience and continued support towards completion of this study.

My special thanks to my family, especially to my parents who have been a continuous source of inspiration and encouragement. Thanks for giving a great support throughout the duration of my studied and unceasing prayers for my success.

Lastly, my sincere appreciation to all my friends and course mates that helped, support and provided insight and useful ideas, comments, and suggestion throughout the duration of completing this study.

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ABSTRACT

The objective of this study to find out whether the companies deal in acquisitions had achieved performance efficiency during the post acquisition period namely in the area of profitability, liquidity, activity and leverage ratio performance. There were 45 companies in Malaysia done the acquisition activity for the year 2005 until 2007 involved in this study. The period considered being measurement for pre and post acquisition was the average of 3 years before and the average of 3 years after the acquisitions deal. In conduct this study, the ratios involved in this study were ROA, ROA, current ratio, quick ratio, net working capital, inventory turnover, debt to equity, debt to total asset and times interest earned. The method used in this was done by pairing the sample t-test of all ratios to determine the significance differences in financial performance pre and post acquisition activity. The result of Paired Sample T Test in this study shows that majority of ratios was significantly different after the deal except quick ratio which is the mean of quick ratio for post performance higher than the mean of quick ratio for pre performance.