



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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## LETTER OF TRANSMITAL



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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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## 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.