



**THE IMPACT OF MERGER AND
ACQUISITION ON FIRMS
OPERATING PERFORMANCE;
POST ANALYSIS OF MALAYSIA
COMPANIES IN 2013**

**NURWAAQIAH BINTI MOHD ZAM
2015115483**

**BACHELOR OF BUSINESS
ADMINISTRATION(HONS)FINANCE
FACULTY OF BUSINESS
MANAGEMENT
UNIVERSITI TEKNOLOGI MARA
JOHOR BRANCH, SEGAMAT,
JOHOR**

DECEMBER 2017

AUTHOR'S DECLARATION

I declare that the work in this thesis was carried out in accordance with the regulations of Universiti Teknologi MARA, Johor Branch, Segamat, Johor. It is original and is the results of my own work, unless otherwise indicated or acknowledged as referenced work. This thesis has not been submitted to any other academic institution or non-academic institution for any degree or qualification.

I, hereby, acknowledge that I have been supplied with the Academic Rules and Regulations for Undergraduate, Universiti Teknologi MARA, Johor Branch, Segamat, Johor regulating the conduct of my study and research.

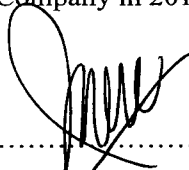
Name of Student : Nurwaaqiah Binti Mohd Zam

Student I.D. No. : 2015115483

Programme : Bachelor of Business Administration (Hons) Finance

Faculty : Business And Management

Thesis : The Impact of Merger and Acquisition on Firms
Operating Performance; A Post Analysis of Malaysia
Selected Company in 2013

Signature of Student : 

Date : 21 December 2017

ABSTRACT

Merger and acquisition is one of the most frequently used strategy for companies that searching for grow in business and also provide a competitive advantage. While merger and acquisition global trend is increasing, the trend is contrast with trend for Malaysia which in Malaysia they are facing a downward trend of merger and acquisition started from year 2013. So, a total of 25 companies from different sector excluded financing sector that going through merger and acquisition with deal value more than 50 million Ringgit Malaysia. The operating performance is being measured by ROE as the dependant variable. While the independent variables included 10 different ratios which is CR, QR, DER, GPM, NPM, ATO, ITO, ARTO, APTO and Sales in order to have more accurate analysis at the end of this research. The study is using panel regression analysis which is PLS method as the main regression in order to determine the impact of merger and acquisition to companies operating performance. At the end, the result shows that there is positive significant impact in operating performance after merger and acquisition in term of their NPM and ATO. Different result for CR, QR, DER, GPM, ITO, ARTO, APTO and Sales as they did not show a significant impact on the operating performance although some of them is showing a positive relationship with the operating performance. In conclusion, M&A is actually did not have significant impact on the firm's operating performance.

TABLE OF CONTENT

AUTHOR'S DECLARATION	ii
ABSTRACT	iii
ACKNOWLEDGEMENT	iv
TABLE OF CONTENT	v
LIST OF TABLES	viii
LIST OF FIGURES	ix
LIST OF ABBREVIATIONS	x
CHAPTER ONE INTRODUCTION	
1.1 Introduction	1
1.2 Background of study	2
1.3 Problem statement	4
1.4 Research question	6
1.5 Research objectives	6
1.6 Significant of the study	7
1.7 Scope of the study	8
1.8 Limitation of study	8
1.9 Definition of term	9
1.10 Summary	10
CHAPTER TWO LITERATURE REVIEW	
2.1 Introduction	11
2.2 Overview on merger and acquisition	11
2.3 Literature review on liquidity leverage	12
2.4 Literature review on profitability	13
2.5 Literature review on efficiency	14
2.6 Literature review on growth rate	15
2.7 Theoretical framework	16
2.8 Summary	17

LIST OF TABLES

Table	Title	Page
Table 1.1	Number Of Completed Merger And Acquisition Transaction In Malaysia By Sector.	5
Table 3.1	Name Of Company That Merger And Acquire For More Than RM50 Million.	18
Table 3.2	The Definition of Ratios Under Liquidity Leverage	21
Table 3.3	The Definition of Ratios Under Profitability	22
Table 3.4	The Definition of Ratios Under Efficiency	23
Table 3.5	The Definition of Ratio Under Growth Rates.	24
Table 4.1	Descriptive Analysis result.	30