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Merger and Acquisition Influence for Level Return of Companies

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Abstract

Merger and Acquisition are viewed as a vital role for company as business strategy. A merger or acquisition information that is released by a company will influence share price of acquiring company as well as that of the target company

This research is intended to test whether an announcement of mergers and acquisition are responded by investor so produce abnormal return for the company. Investor reaction toward an announcement is measured by the abnormal return of the company. The sample used in this research consists of 4 companies for mergers and 40 companies for acquisition. They are listed in Indonesia Stock Exchange and have undertaken merger and acquisition in period of 2010-2014.

For the analysis, using Wilcoxon Signed Rank for mergers, show that there is no difference in abnormal return between 30 days pre announcement and 30 days post announcement. In addition test of hypothesis for acquisition, using paired sample test, indicates that there is no difference in abnormal return between 30 days pre announcement and 30 days post announcement. It can be concluded that an announcement of mergers and acquisition does not give positive impact to abnormal return. It indicates that there is a potential leakage information before pre announcement or investor does not account an announcement of mergers and acquisition as a benchmark to buy stocks.

Keywords: merger, acquisition, abnormal return

1. Introduction

The rapid advancement of information and technology has encouraged rivalry among firms. In order to win in this tight business competition, investment in technology and information is necessary. Investment is longer to be considered ancient for firms, in fact it is an important activities when shareholders want to settle their position above anyone else. There are many forms of investment which are investment on property, hedge fund, or stock investment. One of many reasons why companies build investment is to expect return. Return holds a significant role for investors because it is a benchmark whether they want to invest or just hold their funds in bank. In this paper we will take a deeper look on stock return.

Before making investments investors need to make evaluation toward firms. Usually financial statement becomes a primary benchmark before they make investment decision. Investors can take a look firms' financial statement in Indonesia Stock Exchange, in addition investors get to know about the firms as a whole package, from the history to stock price and market reaction toward firms.

Settling firms' position requires a tremendous strategies. One of them is business expansion, this strategy can be done with internal growth or external growth. Internal growth means that expansion can be done by building a business from the scratch. In this type of growth requires enormous resources for instance market research, product design, expert recruitment, and most likely acquisition of facilities to support the product before the product reaches consumer. On the other hand external growth is settled by acquiring or merging firms. Mergers and acquisitions (M&As') is the fastest strategy to access new markets and new products without building from the beginning. Mergers and acquisitions become firms' favorite strategy because it is more effective than internal growth, in addition this strategy gives value added synergy effect for both firms and shareholder (Porter,2011). Therefore this decision is also has a good highlight from the market. Mergers and acquisitions can affect investors' decision to put their funds in firms. Positive changes in stock price will induce investor to make investment due to returns that can be offered by firms.

Rate of return is a profit of an investment, it comprises changes in values, dividends or cash flows which the investors receive from an investment. Rate of return shows market reaction toward mergers and acquisitions, it eventually affects stock price both from bidder firms and target firms. Changes in stock price indicates how much for that investors can make, based on how much returns they can get. Increasing return will motivate investors to make more investments, from investors' perspective yield and capital gain is more beneficial than putting their fund on deposits. Yet there is no such thing as a zero risk in terms of investment. In this type of investment there are risk that will make firms' stock price negative, which is also a bad sign to the return they can get.. It is a duty to firms that already fused to utilize synergies in order to increase rate of return so shareholders' wealth can be maintained. Having these backgrounds

leads to question whether there is a different of stock return from pre announcement to post announcement of M&As' action.

2.

Literature

Stock Return

Stock return is the appreciation in the price plus any dividends paid, divided by the original price of stock. The income sources from a stock is dividends and its increase in value. Stock return comprises two elements, first there is "yield", described as the amount cash (in percentage terms) that returns to the owner of the stock. Then, second is capital gain, described as an increase in the value of an asset that gives it a higher worth than the initial price. The gain is not realized until the asset is sold. Meanwhile when there is a decrease in an asset compared to asset's initial value it refers as an capital loss.

There are several terms when it comes to return (Jones,2010)

- Expected return, the amount investor would anticipate receiving of an investment that has various known or expected rates of return
- Actual return, the amount of realized return from an investment. It is calculated based on historical data. This return is an important tool to measure firms' performance and also shows risk and return in the future.
- Abnormal return, the difference value between the expected return and the actual return of an investment

Merger and Acquisition

Merger and acquisition is a firms' strategy in developing and growing companies. The word merger and acquisition means to combine, collaborate, or combination so those firms that merged are fused into one single entity. Another opinion about M&As' states as an activity of combining two or more companies, by the transfer of the properties to one surviving company. Hutagalung (2002) stated that merger is the combining two or more business that one firm takes over the target firm.

Hypothesis

1. Merger's effect on stock price

When mergers do favor to only one side, the bidding firms in particular, usually form a hostile takeover. It is likely that this action will not bring synergy and value to the merged firm. It also affects the whole performance of the firm, not to mention towards their stock price, so affects investors' perspective to firms.

H0: There is no difference of stock return between pre announcement and post announcement of merger

Merging firms with mutual interest between bidding firm and target firm can bring huge advantages. They are not always in economic forms like increasing profits or rising financial ratios but it can be also in non economic form like a value added of the firms. Making this action happens will give positive impact to stock price, therefore expected returns will increase.

Ha1: There is a difference of stock return between pre announcement and post announcement of merger

2. Acquisitions' effect on stock price

Acquiring company must be done carefully. Purchasing target firms needs tremendous resources like assets, equities, even increasing liabilities from bidding firms. When it is not fully prepared most likely financial ratios will be suffered, in addition conflict of interest between shareholder and management will result negative in firms' value. Eventually they will impact to stock price and stock return during acquisition.

H02: There is no difference of stock return between pre announcement and post announcement of acquisition.

Careful due diligence in acquisition will bring advantages for both bidding firm and target firm. A well done synergy between combined firms will increase firms' value. When a firm acquire target firm it is likely to affect market reaction to positive trend.

Ha2: There is a difference of stock return between pre announcement and post announcement of acquisition.

3. Research Method

This paper is a descriptive quantitative research, it is intended to test the effect of merger and acquisition on stock return. This research took place to firms that already listed in Indonesia Stock Exchange and managed to make corporate action which is merger and acquisition. There are about 8 firms of merger and 44 firms of acquisitions. However there are certain criteria to make them as samples. Below this will be described :

- Public company listed in Indonesia Stock Exchange
- Stock prices are available for 30 days for pre announcement and post announcement for merger and acquisition
- No delisting during observation
- Date of merger and acquisition is available

From the above criteria the samples are obtained 4 companies for mergers and 40 companies for acquisition. The data used in this paper based on quantitative data as observations

and measurements are expressed in numerical terms. The data is obtained from yahoo finance website for searching individual company's stock price and stock index, while the date of mergers and acquisitions is obtained from kppu website. The variables used in this paper are abnormal return, actual return, and the market return, abnormal return plays as a focus point. Below this will be explained further about the variables:

Abnormal return - Represents the difference between actual return with the market return

$$AR = R_{it} - E(R)$$

R_{it} = Value of actual stock return

$E(R)$ = Expected return

Actual return - Actual amount of money gained or lost during a period of time relative to investments' initial value

$$R_{it} = \frac{P_{jt} - (P_{jt-1} - 1)}{P_{jt-1}}$$

R_{it} = Actual return

P_{jt} = Ending stock price

P_{jt-1} = Beginning stock price

Market return - The return on the overall theoretical market portfolio which includes all assets and having the portfolio weighted for value.

$$E(R) = \frac{I_{t, IHS} - (I_{t-1, IHS} - 1)}{I_{t-1, IHS}}$$

$E(R)$ = Expected return

IHSG = Ending IHSG's price

IHSG t-1 = Beginning IHSG's price

4.

Results

Descriptive Statistics

Below this will be depicted of the results from abnormal return, which can be seen in the following table :

Table 1

Descriptive Statistics of Merger

	N	Mean	Std. Deviation	Minimum	Maximum
Pre merger return	120	-.0006363	.05050515	-.34457	.25725
Post merger return	120	.0058652	.04144259	-.16163	.30436

Based on table 1 it can be inferred that stock return obtains -0.0006363 in average before firms merged. Then the figure rises to 0.0058652 when the firms have merged, so it can be concluded that the level of stock returns increase when the company merged. The amount of data is 120 because researcher calculate based on daily abnormal return.

Table 2

Descriptive Statistics of acquisition

	N	Minimum	Maximum	Mean	Std. Deviation
Pre acquisition return	40	-.00745	.00911	-.0001740	.00386774
Post acquisition return	40	-.00659	.00761	.0004080	.00332777
Valid N (listwise)	40				

Based on table 2 it can be shown that stock return obtains -0.0001740 in average before firms acquired. Then the figure rises to 0.0004080 when the firms have acquired, so it can be concluded that level of stock returns can be increased when firms make acquisition.

Normality test

Here are the results of test calculations on normality test for abnormal returns.

Table 3
Normality test *Abnormal Return Merger*

One-Sample Kolmogorov-Smirnov Test			Pre Merger	Post Merger
N			120	120
Normal Parameters ^{a,b}	Mean		.0006362	.005865
	Std. Deviation		.050505	.041442
Most Extreme Differences	e	Absolut	.241	.175
		Positive	.217	.175
	e	Negativ	-.241	-.169
		Kolmogorov-Smirnov Z	2.638	1.920
	Asymp. Sig. (2-tailed)	.000	.001	

Based on table 3 above shows that abnormal return 30 days before merger has significance of 0.000 while the abnormal return 30 days after merger has significance of 0.001. It can inferred that the data distribution for both before and after merger is normally distributed. Therefore it requires a further test to prove the hypothesis. Wilcoxon Signed Rank is used to determine whether there is a difference abnormal return, here is the result :

Table 4
Wilcoxon Signed Rank *abnormal return*

Test Statistics ^a	
	Post merger – Pre merger
Z	-.896
Asymp. Sig. (2- tailed)	.370

Based on Wilcoxon test the figure for significance reached 0.370, which is bigger than 0.05. Thus it can be concluded that there is no significant difference between 30 days before merger and 30 days after merger. Hypothesis for H_{a1} is rejected.

Table 5
Abnormal return for acquisition

Tests of Normality

	Kolmogorov-Smirnov ^a			Shapiro-Wilk		
	Statistic	df	Sig.	Statistic	df	Sig.
Pre acquisition	.132	40	.075	.969	40	.368
Post Acquisition	.074	40	.200	.984	40	.837

Based on Table 5 above shows that the return before the acquisition is 0.075, while the return after acquisition indicates 0.200. From these results indicate that the distribution of the data follow a normal distribution so that the hypothesis can be tested using parametric paired sample T test.

Table 6

Paired Samples Test

		Pair 1
		Post acquisition - Pre acquisition
Paired Differences	Mean	.00058200
	Std. Deviation	.00530050
	Std. Error Mean	.00083808
	95% Confidence Interval of the Difference	Lower: .00227718 Upper: .00111318
	t	-.694
	df	39
Sig. (2-tailed)		.492

From the calculations in Table 6 above shows that the significance showed 0.492, greater than 0.05. This means that there is no significant difference in abnormal returns for the 30 days before and after the acquisition. In other words, the content of the information acquisition has little effect for investors to buy shares in the company. Ha2 hypothesis is rejected.

Based on the hypothesis test results showed that there were no significant difference in abnormal returns for the 30 days before and after mergers and acquisitions. This is demonstrated by the significant value of 0.370 for mergers and 0.492 for acquisition, these two values are above 0.05

which means that the hypothesis declaring that there are differences in the level of stock returns for mergers and acquisitions are not accepted. These results support the research conducted by Wibowo and Pakereng (2001), they examine the impact of bidding firms' stock return performance which showed no significant difference in abnormal return for bidding firms 30 days before and after the acquisition. The results are also supported by Eliya Rusnanda (2011), the research showed that there is no significant difference in abnormal returns for the banking sector for the period 2006 - 2010.

The results of this study also highlight that the economic objectives have not achieved yet . There are several reasons why M&As' do not produce significant abnormal return, such as M&As' are done to save target firms from bankruptcy, the weak strategy to choose target firm, or inexperienced in M&As. In addition, the trading volume does not also change, causing no difference in abnormal return so that the effect of mergers and acquisitions on abnormal return is not visible.

5.

Conclusions and Recommendations

Conclusions

This paper is aimed to examine the effect of mergers and acquisitions on the level of stock returns for the companies listed in Indonesia Stock Exchange for the period 2010 - 2014. The hypothesis in this paper are tested using the Wilcoxon Signed Rank Test for merger and Paired Sample T for acquisitions. From the analysis we conclude as follows:

- There is no significant difference in return between 30 days before and after mergers. It is reinforced with a significance level of 0.370 (above 0.05), which means that information on the merger has little effect on the changes of stock return.
- There is no significant difference in return between 30 days before and after acquisition. Level of significance that exceeds 0.05 means the acquisition has little effect on the changes of stock return.
- Information before merger and acquisition most likely are already distorted in advance so it contains minimum impact. The length of the observation period also affects the significance. Initial hypothesis were rejected.

Research's Limitation

From the research, it can be concluded that the merger and acquisition strategy do not have a significant effect on the level of stock returns. This study has limitations:

- a. Small sample size, especially for mergers cause large estimation error factors obtained.
- b. This paper only incorporates the effect of merger and acquisition announcements without considering other variables that may affect the rate of return of the company such as the value of

the acquisition, the size of the target company, or the payment method used in mergers and acquisitions

c. The information which has been distorted information about the merger and acquisition announcements so that the impact is felt not too big.

Suggestion

From the analysis and the conclusion that the above limitations can be considered to be useful in future studies related to mergers and acquisitions. So that the results obtained will be able to give an accurate picture of the impact occurred around merger and acquisition announcements. Advice can be given for further research are:

a. Studies should look for the category of active stock trading in order to produce significant result

b. Incorporating factors other than the announcement of mergers and acquisitions to test the level of stock returns such as company size, payment method used in mergers and acquisitions, as well as the value of the acquisition.

c. Researchers need to distinguish the types of mergers and acquisitions to see each impact of mergers and acquisitions on stock returns.

d. A better planning before mergers and acquisitions so it is beneficial for bidding and target firms

e. Researchers need to incorporate non-economic factors in the analysis in order to provide more comprehensive results on stock returns after mergers and acquisitions.

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Lampiran 1

Firms' list for mergers

No	Code	Firms' name	Date of Merger
1	INPP	PT Indonesian Paradise Property Tbk	27/04/10
2	ICON	PT Island Concept Indonesia Tbk	25/05/11
3	LPPF	PT Matahari Department Store Tbk	16/9/11
4	TPIA	PT Tri Polyta Indonesia Tbk	1/1/2011

Firms' list for acquisitions

NO	Code	Firms' name	Date acquisition
1	ASII	PT Astra International Tbk	27/12/10
2	BNLI	PT Bank Permata Tbk	29/12/10
3	BCAP	PT Bhakti Capital Indonesia Tbk	11/1/11
4	BBRI	PT Bank Rakyat Indonesia Tbk	14/3/11
5	APLN	PT Agung Podomoro Land Tbk	13/4/11
6	ANTM	PT Antam Tbk	18/3/11
7	JSMR	PT Jasa Marga Tbk	10/6/11
8	BRAU	PT Berau Coal Energy Tbk	21/6/11
9	EMTK	PT Elang Mahkota Tbk	28/6/11
10	APLN	PT Agung Podomoro Land Tbk	12/7/11
11	APLN	PT Agung Podomoro Land Tbk	19/10/11
12	KIJA	PT Kawasan Industri Jababeka	27/10/11

13	APLN	PT Agung Podomoro Land Tbk	17/11/11
14	BCAP	PT Bhakti Capital Indonesia Tbk	10/1/12
15	APLN	PT Agung Podomoro Land Tbk	26/1/12
16	SUPR	PT Solusi Tuna Pratama Tbk	16/3/12
17	KLBF	PT Kalbe Farma	3/8/12
18	ASRI	PT Alam Sutera Realty	28/8/12
19	TURI	PT Tunas Ridean	19/9/12
20	APLN	PT Agung Podomoro Land Tbk	27/9/12
21	APLN	PT Agung Podomoro Land Tbk	23/10/12
22	COWL	PT Cowell Development Tbk	11/12/12
23	APLN	PT Agung Podomoro Land Tbk	14/3/13
24	APLN	PT Agung Podomoro Land Tbk	25/3/13
25	AUTO	PT Astra Otoparts Tbk	16/5/13
26	SIMS	PT Salim Ivomas Pratama Tbk	10/6/13
27	HRUM	PT Harum Energy Tbk	2/7/13
28	BYAN	PT Bayan Resources Tbk	31/7/13
29	APLN	PT Agung Podomoro Land Tbk	30/8/13
30	TKIM	PT Pabrik Kertas Tjiwi Kimia Tbk	10/9/13
31	TELE	PT Tiphone Mobile Indonesia Tbk	10/9/13
32	SUGI	PT Sugih Energy Tbk	26/9/13
33	INDS	PT Indospring Tbk	30/9/13
34	BIPI	PT Benakat Integra Tbk	16/10/13
35	TELE	PT Tiphone Mobile Indonesia Tbk	8/11/13
36	TELE	PT Tiphone Mobile Indonesia Tbk	6/12/13
37	NRCA	PT Nusa Raya Cipta Tbk	13/12/13
38	APLN	PT Agung Podomoro Land Tbk	16/12/13
39	TLKM	PT Telekomunikasi Indonesia Tbk	18/12/13
40	SILO	PT Siloam International Hospital Tbk	5/2/14

Actual and expected return of INPP

For the period 30 days before and after mergers

No	Return t-30	Return t+30	R IHSG t-30	R IHSG t+30
1	0	0	0.00683	-0.00538
2	0.11765	0	-0.00062	0.00209
3	-0.10526	0.0226	0.0047	0.01082
4	0	0.04118	0.00746	-0.02586
5	-0.09524	0	0.0179	0.00437
6	-0.16	0	-0.01328	0.02828
7	0	0.30769	-0.00754	0.00333
8	0.26263	-0.1875	0.00538	-0.02587
9	0.13793	0	0.00011	0.0306
10	0	0	0.00117	0.00636
11	0.01163	0	0.01277	0.07265
12	0	0.03226	-0.00204	-0.03659
13	0	0.01307	-0.01647	-0.00519
14	-0.33846	0.06993	0.00611	-0.02636
15	0	0	-0.00218	-0.01291
16	0	0.01418	0.02023	-0.03695
17	0	0.03676	0.01898	0.00522
18	0	0.04615	-0.00749	-0.01362
19	0	-0.04412	0.00125	0.00378
20	0	0.00741	-0.00651	0.01235
21	0	0.03846	0.00498	-0.01317
22	0	0.08333	0.00876	0.04056
23	0	0.04348	0.01984	-0.02536
24	0	0	0.00683	-0.01251
25	0	0	-0.01479	-0.03811
26	0	0	0.00209	-0.00064
27	0	0	-0.0069	-0.00348
28	0	0	0.03246	0.01517
29	0	0.04545	0.00116	0.00811
30	0	0.04762	-0.00374	-0.01224

Actual and expected return of ICON

For the period 30 days before and after mergers

No	Return t-30	Return t+30	R IHSG t-30	R IHSG t+30
1	0	0	0.00198	0.0163
2	0	0	-0.0244	0.00781
3	0	0	0.0034	-0.00387
4	0	0	0.0051	-0.00743
5	0	0	0.01079	0.00673
6	0	0	-0.00856	0.00991
7	0	0	0.00612	0.01522
8	0	0	-0.00767	0.00442
9	0	0	0.0099	-0.00913
10	0	0	0.00398	0.00651
11	0	0	-0.00345	0.00048
12	0	0	-0.00464	0.00709
13	0	0	0.00035	0.01765
14	0	0	0.00028	0.00208
15	0	0	-0.0092	-0.0051
16	0	0	0.00777	-0.01417
17	0	0	0.00281	0.00556
18	0	0	0.00105	0.00654
19	0	0	0.00796	-0.01027
20	0	0	-0.00361	-0.00487
21	0	0	-0.0033	-0.00513
22	0	0	0.00167	-0.00446
23	0	0	0.01664	0.00228
24	0	0	0.0015	-0.00255
25	0	0	-0.00092	0.00163
26	0	0	0.00608	0.00021
27	0	0	-0.00708	0.00283
28	0	0	0.00408	-0.00164
29	0	0	-0.0071	0.00462
30	0	0	0.00108	0.00917

Actual and expected return of LPPF

For the period 30 days before and after mergers

No	Return t-30	Return t+30	R IHSG t-30	R IHSG t+30
1	0	0	-0.0065	0.00445
2	0	0	-0.01955	0.0199
3	0	0	-0.00548	0.00758
4	0	0	-0.0256	0.001
5	0	0	-0.00172	0.02379
6	0	0	0.00099	-0.00059
7	0	0	0.02865	-0.01697
8	0	0	0.00616	0.01747
9	0	0	0.00636	-0.02869
10	0	0	0	0.01755
11	0	0	-0.00069	-0.00291
12	0	0	-0.00069	0.01085
13	0	0	-0.00862	0.0295
14	0	0	0.01064	0.02338
15	0	0	-0.00081	0.00741
16	0	0	-0.04433	-0.00506
17	0	0	0.01713	0.04551
18	0	0	-0.0017	0.00728
19	0	0	0.01786	-0.02367
20	0	0	0.00547	-0.05644
21	0	0	0.0015	0.00335
22	0	0	0.03439	0.00683
23	0	0	-0.02991	0.01129
24	0	0	-0.0182	0.04759
25	0	0	-0.04863	-0.03217
26	0	0	-0.00349	0.01698
27	0	0	-0.0099	-0.0888
28	0	0	-0.00372	-0.01456
29	0	0	0.01516	-0.00078
30	-0.01818	0	-0.00363	-0.02089

Actual and expected return of TPIA

For the period 30 days before and after mergers

No	Return t-30	Return t+30	R IHSG t-30	R IHSG t+30
1	0.02985	0.00658	0.00116	0
2	0	0	0.01072	0.00737
3	0.04688	0.02703	0.00958	0.00537
4	0	-0.02632	0.0038	-0.01283
5	0.024	0.02013	-0.00253	-0.01227
6	0	-0.01974	-0.00461	-0.00797
7	0.01626	0	0.01923	-0.00242*
8	0.01653	0	-0.00356	0.00441
9	-0.01626	0	0.00275	0.01113
10	0.01653	0	-0.02366	0.00978
11	0.03419	-0.02564	-0.0085	-0.02249
12	0	-0.03106	-0.00069	-0.00769
13	0	0.05921	-0.0148	0.00368
14	0.00862	-0.01299	-0.01014	0.01975
15	0	0.02667	0.00427	0.02625
16	-0.00855	-0.01961	0.0128	-0.00991
17	0	0	0.00706	-0.02159
18	0.01739	-0.03165	0.00045	-0.01795
19	-0.00862	0.02597	0.02086	-0.00884
20	0	-0.00645	0.02489	0.00365
21	0.05455	-0.00641	-0.02739	-0.00936
22	-0.05172	-0.025	-0.00326	0.00118
23	0.01754	0.01266	-0.01608	0.00286
24	-0.0339	0.01935	0.01182	0.02884
25	0.00855	0	-0.00528	-0.00673
26	-0.00847	0.00649	-0.01685	-0.0421
27	0.00855	-0.0375	0.00434	-0.02805
28	0.00862	0	0.01282	-0.01254
29	0	0.03226	0.00105	0.00629
30	-0.03333	0.02649	0.00481	0.00873

Abnormal return of INPP

For the period 30 days before and after mergers

No	Abnormal Return	
	-30	30
1	-0.00683	0.00538
2	0.11827	-0.00209
3	-0.10996	0.01178
4	-0.00746	0.06704
5	-0.11314	-0.00437
6	-0.14672	-0.02828
7	0.00754	0.30436
8	0.25725	-0.16163
9	0.13782	-0.0306
10	-0.00117	-0.00636
11	-0.00114	-0.07265
12	0.00204	0.06885
13	0.01647	0.01826
14	-0.34457	0.09629
15	0.00218	0.01291
16	-0.02023	0.05113
17	-0.01898	0.03154
18	0.00749	0.05977
19	-0.00125	-0.0479
20	0.00651	-0.00494
21	-0.00498	0.05163
22	-0.00876	0.04277
23	-0.01984	0.06884
24	-0.00683	0.01251
25	0.01479	0.03811
26	-0.00209	0.00064
27	0.0069	0.00348
28	-0.03246	-0.01517
29	-0.00116	0.03734
30	0.00374	0.05986

Abnormal return of ICON

For the period 30 days before and after mergers

No	Abnormal Return	
	-30	30
1	-0.00198	-0.0163
2	0.0244	-0.00781
3	-0.0034	0.00387
4	-0.0051	0.00743
5	-0.01079	-0.00673
6	0.00856	-0.00991
7	-0.00612	-0.01522
8	0.00767	-0.00442
9	-0.0099	0.00913
10	-0.00398	-0.00651
11	0.00345	-0.00048
12	0.00464	-0.00709
13	-0.00035	-0.01765
14	-0.00028	-0.00208
15	0.0092	0.0051
16	-0.00777	0.01417
17	-0.00281	-0.00556
18	-0.00105	-0.00654
19	-0.00796	0.01027
20	0.00361	0.00487
21	0.0033	0.00513
22	-0.00167	0.00446
23	-0.01664	-0.00228
24	-0.0015	0.00255
25	0.00092	-0.00163
26	-0.00608	-0.00021
27	0.00708	-0.00283
28	-0.00408	0.00164
29	0.0071	-0.00462
30	-0.00108	-0.00917

Abnormal return of LPPF

For the period 30 days before and after mergers

No	Abnormal Return	
	-30	30
1	0.0065	-0.00445
2	0.01955	-0.0199
3	0.00548	-0.00758
4	0.0256	-0.001
5	0.00172	-0.02379
6	-0.00099	0.00059
7	-0.02865	0.01697
8	-0.00616	-0.01747
9	-0.00636	0.02869
10	0	-0.01755
11	0.00069	0.00291
12	0.00069	-0.01085
13	0.00862	-0.0295
14	-0.01064	-0.02338
15	0.00081	-0.00741
16	0.04433	0.00506
17	-0.01713	-0.04551
18	0.0017	-0.00728
19	-0.01786	0.02367
20	-0.00547	0.05644
21	-0.0015	-0.00335
22	-0.03439	-0.00683
23	0.02991	-0.01129
24	0.0182	-0.04759
25	0.04863	0.03217
26	0.00349	-0.01698
27	0.0099	0.0888
28	0.00372	0.01456
29	-0.01516	0.00078
30	-0.01455	0.02089

Abnormal return of TPIA

For the period 30 days before and after mergers

No	Abnormal Return	
	-30	30
1	0.02869	0.00658
2	-0.01072	-0.00737
3	0.0373	0.02166
4	-0.0038	-0.01349
5	0.02653	0.0324
6	0.00461	-0.01177
7	-0.00297	0.00242
8	0.02009	-0.00441
9	-0.01901	-0.01113
10	0.04019	-0.00978
11	0.04269	-0.00315
12	0.00069	-0.02337
13	0.0148	0.05553
14	0.01876	-0.03274
15	-0.00427	0.00042
16	-0.02135	-0.0097
17	-0.00706	0.02159
18	0.01694	-0.0137
19	-0.02948	0.03481
20	-0.02489	-0.0101
21	0.08194	0.00295
22	-0.04846	-0.02618
23	0.03362	0.0098
24	-0.04572	-0.00949
25	0.01383	0.00673
26	0.00838	0.04859
27	0.00421	-0.00945
28	-0.0042	0.01254
29	-0.00105	0.02597
30	-0.03814	0.01776

**Actual and Expected return
For the period 30 days before and after acquisitions**

No	Kode	Return Aktual		Return Pasar	
		-30	30	-30	30
1	ASII	-0.0024	-0.00321	-0.00106	-0.00185
2	BNLI	-0.00298	-0.00263	-0.00068	-0.00277
3	BCAP	-0.00601	0.008357	-0.00157	0.008429
4	BBRI	-0.00069	0.008573	0.000429	0.001891
5	APLN	-0.00278	0.002111	0.001937	0.000894
6	ANTM	-0.00177	-0.00183	0.000433	0.003253
7	JSMR	-0.0002	0.005412	0.0003	0.002574
8	BRAU	-0.0005	0.000914	-0.00074	0.002909
9	EMTK	0.004755	0.007454	0.004681	0.000402
10	APLN	-0.00078	0.00011	0.001573	-0.00063
11	APLN	0.001443	-0.00506	-0.00198	0.000952
12	KIJA	0.00524	0.002599	-0.00015	-0.00039
13	APLN	0.004645	0.00183	0.005048	0.000619
14	BCAP	0.010924	-0.00046	0.001815	0.000202
15	APLN	-0.00384	0.003641	0.001793	0.000114
16	SUPR	0.004651	0.00034	0.000667	0.001376
17	KLBF	0.000506	0.004131	0.00164	0.000973
18	ASRI	-0.00053	0.001977	0.001139	0.001125
19	TURI	-0.00065	0.002846	0.000776	0.000722
20	APLN	0.001094	0.002599	0.000426	0.000859
21	APLN	0.000683	0.003836	0.001442	-0.00029
22	COWL	-0.00683	-0.00294	-0.00024	0.001084
23	APLN	0.005932	-0.00176	0.002885	0.001487
24	APLN	0.008144	-0.00176	0.001796	0.002143
25	AUTO	-0.00435	0.006046	0.001045	-0.00156
26	SIMS	-0.00179	-0.00644	-0.00092	0.000147
27	HRUM	-0.00973	-0.00436	-0.00228	-0.00396
28	BYAN	-0.00086	0.003224	-0.001	-0.00045
29	APLN	-0.0065	0.00306	-0.00389	0.00264
30	TKIM	-0.00129	0.004651	-0.0041	0.001865
31	TELE	0.001067	0.005806	-0.0041	0.001865
32	SUGI	0.000508	-0.00028	-0.00188	-0.00015
33	INDS	0.003104	-0.00227	-0.00082	0.000436
34	BIPI	-0.00032	-0.00336	0.00264	-0.00193
35	TELE	0.006929	-0.00085	-0.00052	-0.00211
36	TELE	0.001577	0.00315	-0.00246	0.002044

37	NRCA	-0.00542	-0.00184	-0.0027	0.001714
38	APLN	-0.00566	0.00127	-0.00252	0.001846
39	TLKM	-0.00392	0.002526	-0.00181	0.001832
40	SILO	0.000528	0.002419	0.001846	0.003211

**Abnormal return
For the period 30 days before and after acquisitions**

No	Kode	Abnormal Return	
		-30	30
1	ASII	-0.00134	-0.00136
2	BNLI	-0.00230	0.00014
3	BCAP	-0.00444	-0.00007
4	BBRI	-0.00112	0.00668
5	APLN	-0.00472	0.00122
6	ANTM	-0.00220	-0.00508
7	JSMR	-0.00050	0.00284
8	BRAU	0.00024	-0.00200
9	EMTK	0.00007	0.00705
10	APLN	-0.00235	0.00074
11	APLN	0.00342	-0.00601
12	KIJA	0.00539	0.00299
13	APLN	-0.00040	0.00121
14	BCAP	0.00911	-0.00066
15	APLN	-0.00563	0.00353
16	SUPR	0.00398	-0.00104
17	KLBF	-0.00113	0.00316
18	ASRI	-0.00167	0.00085
19	TURI	-0.00143	0.00212
20	APLN	0.00067	0.00174
21	APLN	-0.00076	0.00413
22	COWL	-0.00659	-0.00402
23	APLN	0.00305	-0.00325
24	APLN	0.00635	-0.00390
25	AUTO	-0.00540	0.00761
26	SIMS	-0.00087	-0.00659
27	HRUM	-0.00745	-0.00040

28	BYAN	0.00014	0.00367
29	APLN	-0.00261	0.00042
30	TKIM	0.00281	0.00279
31	TELE	0.00517	0.00394
32	SUGI	0.00239	-0.00013
33	INDS	0.00392	-0.00271
34	BIPI	-0.00296	-0.00143
35	TELE	0.00745	0.00126
36	TELE	0.00404	0.00111
37	NRCA	-0.00272	-0.00355
38	APLN	-0.00314	-0.00058
39	TLKM	-0.00211	0.00069
40	SILO	-0.00132	-0.00079

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