Turnitin IJEFI

by Nadia Asandimitra

Submission date: 20-Mar-2023 08:07PM (UTC+0700)
Submission ID: 2041664116
File name: IJEFI.pdf (474.33K)
Word count: 6117
Character count: 31875

International Journal of Economics and Financial Issues

ISSN: 2146-4138

available at http: www.econjournals.com

International Journal of Economics and Financial Issues, 2017, 7(3), 62-68.

The Determinant of the Possibility of Merger in Indonesia

Devina Ivo Mahendra[1], Nadia Asandimitra Haryono[2]*

[1]Faculty of Economics, Universitas Negeri Surabaya, Indonesia, [2]Faculty of Economics, Universitas Negeri Surabaya, Indonesia, *Email: nadiaharyono@unesa.ac.id

ABSTRACT

The company will not easily eliminated if they did right strategy, such as decided to do a corporate action instance expansion. The decision of the company doing the merger increased every year in the period 2010-2013 compared to other mutual policies, such as the rights issue and stock split. The purpose of this research was to analyze the influence of liquidity, leverage and profitability to the possibility of merging the companies listed on the stock exchange on the period. This research uses a quantitative approach with secondary data. Using 54 samples, consist of 27 companies that merged and do not merger which categorized using dummy variables. The results of hypothesis testing using a binary logistic regression analysis proves only that profitability that proxy by return on equity and leverage that proxy by debt to equity ratio affect the possibility of merger of the company.

Keywords: Merger, Profitability, Variable Dummy, Binary Logistic Regression
JEL Classifications: G01, G11, G14, G32, G34

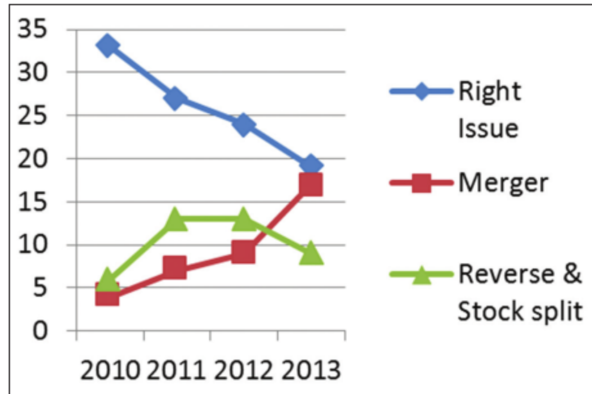
1. INTRODUCTION

Competition in free trade makes competition between industries or companies in Indonesia gets even tougher. Companies are required to have a strategy to maintain the continuity of the company which is not easily eliminated, and able to thrive in a high competitiveness. One of them is by doing expansion. In general, this expansion can also be done in the form of incorporation or merger, takeover acquisition of corporate ownership and consolidation. The expansion of the company can be done either in the form of internal expansion or external expansion. External expansion can be done by merging existing businesses (mergers and consolidation) or by buying companies (acquisition) (Husnan and Pudjiastuti, 2012. p. 395).

According to Moin (2003. p. 6), merger indicates a merge of the two companies or more then became the name of one of the companies that merged. By doing this, merger is expected to be able to continue their efforts with the companies' affiliate as well as cooperation with other firms for the next can be synergized achieve a particular goal, including maintaining its market strengthens. In a merger, synergy and the value added of the companies after the merger will bigger than total value before a merger occurs (Brigham and Houston, 1999. p. 469). There or not a synergies of merger and acquisition cannot be seen shortly after mergers and acquisitions happen, but it takes a relatively long time. To make investors decisions rational, the relevant information of the company should be able to identify with better performance of the company to get a reaction from investors. This identification may lead in the investor reaction where this reaction can be caused by the information from the corporate action conducted corporate issuers. Corporate action with regards to policies taken by companies such as the distribution of dividends, mergers and acquisitions, a reverse stock split and stock as well as the right issue.

In the Graphs 1 explain that corporate action that company chosen by conducting of reverse stock split which increased in 2010-2012 but decreased in the year of 2013 and right which tends to decrease every year. Inversely proportional to the decisions of the company for mergers and which cause an increase and it is more preferred by companies as corporate actions. This phenomenon shows that mergers and acquisitions is considered as an effective way of expanding business and give a positive signal to investors in the capital markets. The gap can be as one of the investors' considerations to undertake investment decisions on a company that is doing the expansion decision with hope will benefit in the future.

Graphs 1: Corporate action 2010-2013



Source: Duniainvestasi.com, Sahamok (processed by author)

Many reasons for a company while they decide to undertake external expansion which in this case are mergers and acquisitions. According to Sudana (2009. p. 246) the basic principle behind the decisions of mergers and acquisitions is to provide the value added which is known by the term synergies which means that the result obtained from the merger should be greater than when each company operates independently.

Some other reasons of companies to do merger or acquisition are also stated by Gitman and Zutter (2012. p. 573), that the company conduct a merger or acquisition to maximize the wealth of companies owner that indicated in the stock price. Significant growth motives in the size of market share can also be obtains through merger or acquisition activity rather than just expanding internally. According to Moin (2010. p. 48), in its principle, there are two motives that drive a company doing external expansion namely the economic and non-economic motives. Economic motives relates to the essence of the objective company which is to improve the value of the company or to maximize the wealth of the shareholders. While on the non-economic motives, there are motives which are not based on the essence of the purpose company, but it is based on subjective personal ambition or desire the owner of the company.

To decide whether or not a company will merge or not, the target company needs strong effects. The results of the negative effect on the profitability variable in accordance with the theory of company control according to Cummins and Xie (2007) which predicts that poorly performing firms are more likely to be acquired and that the performance of targets will improve after the takeover. Whereas some empirical studies generally use discriminant analysis and logistic regression to examine mergers and acquisitions possibility targets indicates the contradictory findings. As a result the discovery of Monroe and Simkowitz (1971) find that acquired firms were smaller in size in the U.S. However, liquidity and profitability were not important discriminators between acquired and non-acquired firms.

Merger decisions can also be seen and measured by investigating the influence of financial leverage to the liquidity of the company. Kramaric (2012) in his research on the insurance companies find the results of the logistic regression was significant and positive on the company's motive becomes leverage variable worthy of being targets of mergers and acquisitions. On the other hand, Espahbodi and Espahbodi (2003) stated in his research, leverage is not associated with the positive sample although a lot of companies that are targets of merger using the leverage as the feasibility of a merger. In contrast to the results of the research of Wansley et al. (1983) found that the target company is the target of a merger during 1975-1976, preferring to see the growth of the company than leverage.

Findings by Monroe and Simkowitz (1971) stated that that liquidity is not an important factor to determine the appropriate of the company to become a target of merger, supported by findings of Sorensen (2000). According to Sorensen, the liquidity is not an important variable, especially as the determinant of payment method on companies which will conduct the merger. However, liquidity has become the current ratio which is often used as research indicator of a possibility merger. In contrast to the research of Tzoannos and Samuels (1972) about the possibility that companies with excess liquidity will be likely to be the target of a merger because of their favorable short-term finance and the availability of cash. In this case, the company targeting other company will have the opportunity to finance this merger with resources of its own targets.

Based on some research gaps and gaps on phenomenon regarding the reflected factor by profitability, liquidity and leverage of the companies listed on the Indonesia stock exchange merged in the year of 2010-2013 which tend to be inconsistent or different among one with other researchers, therefore the author is interested to take the title on "the determinant of the possibility of merger in Indonesia."

2. LITERATURE REVIEW

2.1. Signaling Theory

This theory is the information needed by investors to consider and determine the decision to infuse its share or not on the company in question (Suwardjono, 2005. p. 56). In this research, the authors use the signaling theory to emphasize the importance of information issued by the company towards the decision of the merger between the companies. This information is an important element for investors and business person concerned, because the information essentially present information, records or description either in the past, current and future state for the sustainability of the company that will conduct the merger. The information is complete, accurate, relevant, timely information, are needed to be the reference of business as an analytical method to take the decision of whether they want to conduct the merger or not by considering the effect of the ratio of profitability, liquidity and leverage.

That the signal can be well-captured and well-perceived, the company that will conduct the merger should give the publication of the financial statements which includes liquidity, leverage, and profitability ratios to be the consideration and the information to the market or business person that will be merged as a good or bad

signal. Thus, the signaling theory in this research can be used to explain the relationship between the variable of liquidity, leverage, and profitability with the possibility merger of the company.

2.2. Merger

The expansion can be done either in the form of internal expansion such as increase of plant capacity, addition of production units, addition of new divisions as well as external expansion. However, expansion typically requires capital support and considerable cost, therefore the company management should be able to seek new sources of funding which are more efficient and does not burden the current company while it is developing. One of them is by doing expansion or merger of several businesses that are expected to increase market share, diversify and increase the vertical integration of the existing operational activities and so forth. Basically, this activity is a form of merger of one company with another company in order to gain control over the assets or operations of the company (Dharmasetya and Sulaimin, 2008. p. 2).

According to the International Accounting Standards Boards which are written in International Financial Reporting Standard 3, the expansion or merger activity is one of the unification of separate business entity into a single entity statement. This type of expansion is divided into mergers, acquisitions and consolidation. The purpose of this expansion can be concluded to build a long term competitive advantage which is expected to increase the value of the company or to maximize the wealth of the companies' owner through the value of the company or shareholders.

2.3. The Relationship of Liquidity Ratio towards Possibility of Merger

This ratio measures the company's ability to fulfill its financial liabilities with the short term due date. Braggion et al. (2010) said that an increase in the ratio does not necessarily mean that there is an increase in liquidity of the company after the merger because it depends on the debt to produce asset. Overall liquidity of the company had not increased before the merger. In that research, Braggion et al. (2010) actually found a decrease in the liquidity ratio after the merger. Abbas et al. (2014) concluded that by conducting the merger, the company received a positive effect on the company's operating performance, but obtain negative impact on the size of liquidity.

The measurement to determine the ability of the company to repay short-term debt and sources of funds to finance the repayment of the debt is current assets. This ratio provides useful information for business owners when assessing the target company which is how big the liquidity level is after the merger. If the merger activity requires the company to obtain liquid funds, the company will be more secure if it has a high liquidity ratio (Moin, 2003. p. 145). To be able to fulfill its liabilities at any time, therefore the company must own the method to pay in the form of current assets where the amount should exceed the liabilities that must be paid in the form of current liabilities.

Tzoannos and Samuels (1972) found the possibility that companies with excess liquidity will be likely to be the target of a merger because of their favorable short-term finance and the availability of cash. In this case, the company targeting other company will have the opportunity to finance this merger with resources of its own targets.

The liquidity ratio used in this research is the quick ratio which measures the company's ability to pay short-term liabilities with the current assets which are completely liquid. Inventories were excluded from current assets because it takes time to turn them into cash.

2.4. The Relationship of Leverage towards Possibility of Merger

Through this ratio, the company's ability to fulfill its financial both short term and long term can be assessed. Financing by debt usually aim to increase the strength of the company to finance its business. The company's ability to rely on their own capital are often limited, thus causing financing through debt financing is done in order to increase capital. The use of this debt is more profitable than equity financing, because the interest payments on the debt can be allocated to reduce the taxation on companies. However, if the use of the debt has been in limit on the verge, it will enhance the possibility of unable to recover the debt or default because the company must pay the installment and fixed interest (Moin, 2004. p. 141).

The greater ratio reflects that the company has greater liabilities. Therefore, financing with debt have implications for the company because debt has a fixed charges. The failure to pay the interest on the debt can lead to financial distress which ended in bankruptcy. The leverage ratio is a ratio used to measure the extent of the company's assets which are financed by debt and measures the ability to pay its liabilities, both short term and long term, if the company is liquidated. The ratio used in this research is the debt to equity ratio (DER).

The company decision to use the assets or funds to increase the level of earnings to the owner of the company by increasing the level of leverage that will create a degree of uncertainty from the return that would be obtained are also higher, but at the same time it will increase the amount of return that will obtained. The company uses leverage with the aim that the benefits will outweigh the costs of assets and sources of funds, thereby increasing the profits of shareholders. Syamsuddin (2002. p. 90) argued that the leverage ratio is the ability to use the assets or funds that have a fixed charge which are useful to increase the level of earnings to the owner of the company. Kramaric (2012) in his research on the insurance companies found significant and positive results of logistic regression towards leverage variable where the motive are reasonable to be the target of mergers and acquisitions.

2.5. The Relationship of Profitability towards the Possibility of Merger

Profitability ratios measure a company's ability to generate profits. This ratio helps companies on controlling their income. Return on equity (ROE) is very important to shareholders and prospective shareholders as well as for management because the

ratio is important measurement or indicator of shareholders value creation, which means the higher ROE, the higher value of the company. This ratio can measure the ability of their own capital to generate profits for all shareholders. The increase in stock prices will give high benefit for investors. The greater ROE makes the performance of the company will more effective.

According to Moin (2003. p. 137), the measurement of the ability company to generate profits can be attributed to the level of business risk. This means that, it is not necessary that a company with high level of profitability is better than companies with lower profitability level if the risk of each company is also not reviewed. The weakness of this profitability measurement is that the data used is accounting data which is often differs from the data based on the company's cash flow.

According to Cummins and Xie (2007), poor financial performance allows the company to be merged and its performance will improve. This is certainly an attraction for investors to invest in the company.

Based on the background of the problem, earlier research, and grounding the theory above, so the hypothesis presented in this study are as follows:

H_1: Leverage ratio of the companies affects the possibility of the company merger.

H_2: Liquidity ratio of the company's affects the possibility of the company merger.

H_3: Profitability ratio of the companies affects the possibility of the company merger.

3. RESEARCH METHODS

This research used causality or explanatory research. Causality is one type of conclusive research that aimed to obtain evidence of a casual relationship between the independent variables towards the dependent variable (Malhotra, 2010. p. 96). This research included the studies of causality as it aimed to seek evidence on the influence of the liquidity, leverage, and profitability towards the possibility of merger on the companies listed in Indonesia Stock Exchange (IDX) in the period of 2010-2013.

While the data used in this research is quantitive data in the form of numbers that can be processed and analyzed using mathematical or statistical calculations Source of data on this research using secondary data is data acquired researchers from IDX. This data is the financial reports of companies that do a merger and listed at the IDX in the period 2010-2013.

The populations in this research are companies listed on IDX in 2010-2013. The observations made in this research based on the calculation of financial ratios in the financial statements of the company that aims to determine how much influence the financial ratio factors can affect the possibility of merger on companies listed in the IDX. The sampling technique used in this research is purposive sampling based on certain considerations in the annual financial statement of companies listed on the IDX in the period 2010-2013. As for the criteria of sampling used are merged companies and companies which are not merged, which published the annual financial reports in a row on the IDX during the period 2010-2013.

Data analysis technique in this research used the collection of research data in two group of companies as the dependent variable, marked as 1 to companies that merged and marked 0 if they are not merged. To determine the effect of Y to X accordingly do the following steps: (1) Identification of data outliers, (2) measure the suitability model regression, (3) measure the effect models to predict the crisis, (4) hypothesis testing.

The variables used in this research were divided into two: Independent variables and the dependent variable. The dependent variable (Y) in this research is the possibility of merger proxied with dummy variable and logistic regression analysis or logit analysis using SPSS. To test the effect of the overall financial ratios of the merged company, this test can be used to find the effect of independent variable in the size of categories or dichotomies which are measured by financial ratios scale towards the dependent variable by using dummy variable to give a code of 0 and 1. The independent variable for profitability, leverage, and liquidity are as follows.

3.1. Quick Ratio

This ratio is used to demonstrate the company's ability to pay short-term liabilities with current assets without calculating the inventory that requires a relatively longer time to be redeemed into cash other than assets. So when the ratio gets greater, the better because in case of liquidation, the company can pay its short term liabilities due to the sources used are assets that can quickly be cashed.

$$\text{Quick ratio} = \frac{\text{Current asset - inventory}}{\text{Current liabilities}} \quad (1)$$

3.2. DER

Leverage are views from financial condition used to indicate the amount of corporate debt compared with the assets owned by the company. The greater ratio reflects that the company has greater liabilities.

$$\text{DER} = \frac{\text{Total liabilities}}{\text{Total equity}} \quad (2)$$

3.3. ROE

ROE is very important to shareholders and prospective shareholders as well as for management because this ratio is an important indicator or measurement of shareholders value creation, which means the higher the ROE, the higher the value of the company.

$$\text{ROE} = \frac{\text{Net income}}{\text{Equity}} \quad (3)$$

3.4. Hosmer and Lemeshow's Goodness of Fit Test

Goodness of fit test is intended to determine whether a data distribution of the sample follow a specific theoretical distribution or not by comparing two data distribution which is the theoretical and the corresponding fact. Refusal or acceptance of the hypothesis under test was conducted with a significance level of 5% and will test the null hypothesis (H_0) that the empirical data in accordance with the model (there is no difference between the models with data so that the model can be said to befit). The hypothesis as follows:

HL >0.05; H_0 accepted because there is no difference between the model and the results of the research.

HL <0.05; H_0 was rejected because there is a difference between the model and the results of the research.

If the value of goodness of fit is ≤0.05, the null hypothesis (H_0) is rejected, which means that there is a significant effects between models with the value of research which makes the model unable to predict the outcome. If the test value is <0.05, the null hypothesis (H_0) is accepted which also means that this model are able to predict the value of this research.

3.5. Cox and Snell's R Square

In this research, a test of Cox and Snell's R square is a measure that seeks to imitate the measurement of multiple regression based on estimation techniques with a maximum value of less than one, therefore it is difficult to interpret. The coefficient of determination in this test measures to what extent the ability of the model explains the variations in the dependent variable between 0 and 1.

3.6. Odds Value Ration

At the stage of this measurement, the relation between the probability of the dependent variable and independent variable is non-linear, whereas the relationship between the log of odds and independent variables is linear. Possibility of probability can be transformed with the z score. Z score indicated a tendency to a single instance where the higher value of z, it is more likely to have difference between financial ratios of the merged company with the ones which are not merged.

3.7. Wald Test

The results shown in variables in the equation table is used to test whether each logistic regression coefficients are significant. To test the hypothesis of each variable, the result could be as follows:

H_0 = There is no effect between liquidity with the possible merger of the company.

H_1 = There is effect between the liquidity with the possible merger of the company.

H_0 = There is no effect between leverage with the possible merger of the company.

H_1 = There is effect between leverage with the possible merger of the company.

H_0 = There is no effect between profitability with the possible merger of the company.

H_1 = There is effect between profitability with the possible merger of the company.

4. RESULTS AND DISCUSSION

This research used the companies listed in IDX in the year of 2010-2013. Samples in this research was set to as much as 27 companies that have been selected through random sampling method and divided into two groups by calculating the dummy variable, where the probability value on the occurrence of this research is in the range of 0-1. Thus, the first group were given the symbol of 1 for companies that merger and symbol 0 for companies that do not merger.

This research analyzed the effect of profitability, liquidity and leverage towards the possibility of mergers on companies listed in the IDX during 2010-2013. The number of samples is 108 obtained from 27×4 consisting of 27 merged company and which do not merger, multiplied by the number of the research period (Table 1).

Furthermore, in testing whether or not the model fit to the data is done by inserting the three pieces of independent variable, so that the value of df turned into 108-3-1 = 104 and has a chi square value of 128,804 at 0.05. While the value −2 log likelihood by entering the independent variables. The results of the calculations through the Hosmer and Lemeshow Test with significance of 0.361>0.05 showed no differences between the models with data which means that H_0 is accepted and the model fit (Table 2).

Meanwhile, through the measurement of Cox and Snell R square and Nagelkerke R square value of 21.2% indicated the ability of the three independent variables which are able to explain the possibility of merger on companies listed in the IDX in the period 2010-2013 (Table 2).

Table 3 indicated that the significance of profitability and leverage respectively are 0.012 and 0.039 which are lower than 0.05 have a significant effect on the possibility of merger. This is in consistence with hypothesis 1 and 3 in this research that the leverage and profitability variables affect the possibility of merger. While the

Table 1: Test results statistics

Hosmer and Lemeshow test			
Step	**Chi-square**	**df**	**Significant**
1	8784	8	0.361

Source: Output IBM SPSS Statistics 20

Table 2: Test results Cox and Snell R square and Nagelkerke R square

Model summary			
Step	**−2 log likelihood**	**Cox and Snell R square**	**Nagelkerke R square**
1	128 025[a]	0.159	0.212

Table 3: Test results statistics

AQ1

Variables in the equation					
Step 1[a]	B	SE	Wald	df	Significant
Profitability	−5.051	2.004	6.351	1	0.012
Leverage	0.348	0.168	4.281	1	0.039
Liquidity	−0.037	0.041	0.779	1	0.377
Constant	0.242	0.447	0.293	1	0.588

results of the liquidity variables of 0.377 which is above the 0.05, interpreted that liquidity variables does not affect the possibility of merger.

While the Wald test, which are similar to the t-test on multiple linear regression analysis, the basic decision-making is if significant >0.05 therefore H_0 is accepted, if the results is otherwise, therefore H_0 is rejected. In Table 1, the significant value of profitability is 0.012 and leverage of 0.039 which is lower than 0.05, which can be concluded that H_0 is rejected. Thus, this test stated that profitability and leverage variable significantly effects the possibility of merger on companies listed on the IDX in 2010-2013. While the liquidity variables with a significance of 0.377 which is >0.05 can be concluded that H_0 fails to be rejected or H_0 is accepted. Therefore, the liquidity variable declared as not affecting the possibility of merger.

5. DISCUSSION

5.1. The Effect of Leverage towards the Possibility of a Merger on Companies Listed in the Indonesia Stock Exchange

The results of this research indicated that leverage positively effects the possibility of merger on companies listed in the IDX period 2010-2013. Therefore, the basic principle behind the decision of merger is to provide value added which is known by the term synergy which means that the results obtained from the merger should be greater than the operation of each company independently (Sudana, 2009. p. 246). The higher leverage value, the possibility of the company to conduct merger will increase. Therefore, if the level of leverage is higher, then the performance of companies are considered to decrease, therefore it had to be rescued by a merger in order to maintain the share ownership to strengthen the business and maximize market potential.

According to Doumpos et al. (2004) in his research indicated that the leverage related to possibility of merger found that in some cases, companies owns a very high debt ratio and unable to maximize the company's value. High leverage ratio value can be seen as a sign of inefficient financial management. The result on the effect of leverage towards the possibility of merger is also supported by the research conducted by Kramaric (2012); Peat and Stevenson (2009) and Doumpos et al. (2004).

5.2. The Effect of Liquidity towards the Possibility of Mergers on Companies Listed in the Indonesia Stock Exchange

This research found no influence on the liquidity variables towards the possibility of merger on companies listed in the 2010-2013. These results consistent with the findings of Monroe and Simkowitz (1971), that liquidity is not an important factor to determine the appropriateness of the company to become the target of merger which is also supported by the findings of Sorensen (2000) that found the liquidity is not an important variable, especially as the determinant of payment method on companies which will conduct the merger.

Additionally, Braggion et al. (2010) also stated about companies that have merged. According to him, the increase in the ratio does not necessarily mean there is an increase in liquidity of the company after the merger, because some companies depend on debt for yielding assets. In the study, Braggion et al. (2010) actually found a decrease in the liquidity ratio after the merger when the overall liquidity of the company had not increased before the merger. This research was also supported by Abbas et al. (2014) which concluded that by merger, the company got a positive influence towards the company's operating performance of, but actually got a negative impact on the measurement of the liquidity. Therefore, the financing of the merger is better not to rely on liquidity ratio and rely more on the ability of the company and rely on their own capital. Where, financing through commercial loans, promissory notes filling, dispensing rights issue and depositing additional shares or cash from the owner of the company can further increase revenue and also retains the ownership of shares of the shareholders. The finding that stated the absence on effects of liquidity towards the possibility of merger is supported with the research conducted by Sorensen (2000); Poles (2008); and Alcalde and Espitia (2003).

5.3. The Effect of Profitability towards the Possibility of Merger on Companies Listed in the Indonesia Stock Exchange

The results in this research that there is a negative effect on the profitability variable towards the possibility of merger on companies listed on IDX period 2010-2013. These results explain that any increase in the profitability of a company can result in the decreased probability of the possibility of merger. Thus, the profitability which is proxies by ROE has a significant effect on the possibility of merger on a company. According to Moin (2004. p. 137), the measurement of the ability to generate profits can be attributed to the level of business risk. This means, it is not necessary that a company with high level of profitability is better than companies with lower profitability level if the risk of each company is not reviewed. Thus, the negative effect result of the profitability in accordance with the control theory of the company according to Cummins and Xie (2007) that found the company's poor financial performance allows the company to be merged and its performance will then improve. When the ROE is interpreted, it will show how the company's ability to generate profits from its sale.

To support the results which indicated the effect of profitability towards the possibility of merger, some of the findings of previous researchers can be the reference. These researches are conducted by Peat and Stevenson (2009), Sorensen (2000) Belz et al. (2013) and Tsagkanos et al. (2006).

29

6. CONCLUSION

Based on the results of research and analysis that has been performed, it can be concluded that the profitability and leverage are variables that affect the possibility of merger on companies listed on the IDX. While the liquidity variables with significance above 0.05 does not affect the possibility of merger on companies listed on the Indonesia stock exchange in period 2010-2013.

Thus, the advice given from the author for further research are, the results research indicated that the level of liquidity proxies by quick ratio does not affect the possibility of the merger on companies listed on the IDX, therefore further research are expected to use other proxies, namely current ratio or the cash ratio.

REFERENCES

Abbas, Q., Hunjra, A.I., Azam, R.I., Ijaz, M.S., Zahid, M. (2014), Financial performance of banks in Pakistan after merger and acquisition. Journal of Global Entrepreneurship Research, 4, 13.

Alcalde, N., Espitia, M. (2003), The characteristics of takeover targets: The Spanish experience 1991 Abnormal returns 1997. Journal of Management and Governance, 7, 1-26.

Belz, T., Robinson, L., Ruf, M., Steffens, C. (2013), Tax Avoidance as a Driver of Mergers and Acquisitions. Available from: http://wwww.ssrn.com/abstract=2371706. [Last diakses on 2016 Jun 13].

Braggion, F., Narly, D., Lyndon, M. (2010), Mergers and Acquisitions in British Banking: Forty Years of Evidence from 1885 Until 1925. Available from: https://www.aeaweb.org/aea/2011conference/program/retrieve.php.

Brigham, E.F., Houston, J.F. (1999), Manajemen Keuangan. Jakarta: Penerbit Erlangga.

Cummins, J.D., Xie, X. (2007), Efficiency and Value Creation in Acquisition and Divestitures: Evidence from the U. S. Property-Liability Insurance Industry, FMA Annual Meeting, Orlando, Florida, Internet.

Cummins, J.D., Xie, X. (2007), Mergers & Acquisitions in the U.S. Property-Liability Insurance Industry: Productivity and Efficiency Effects. Available from: http://www.papers.ssrn.com/sol3/papers.cfm?abstract_id=997939. [Last accessed on 2010 Mar 15].

Dharmasetya, L., Sulaimin, V. (2009), Merger & Akuisisi Tinjauan Dari Sudut Akuntansi dan Perpajakan. Jakarta: PT Elex Media Komputindo Kompas Gramedia.

Doumpos, M., Kosmidou, I.K., Pasiouras, F. (2004), Prediction of acquisition targets in the UK: A multicriteria approach. An International Journal, 4(2), 191-211.

Espahbodi, H., Espahbodi, P. (2003), Binary choice models and corporate takeover. Journal of Banking and Finance, 27, 549-574.

Gitman, L.J., Zutter, C.J. (2012), Principles of Managerial Finance. 13th ed. Boston, MA: Pearson Prentice Hall.

Husnan, S., Pudjiastuti, E. (2006), Dasar-Dasar Manajemen Keuangan. Yogyakarta: Unit Penerbit dan Percetakan (UPP) AMP YKPN.

Kramaric, T.P. (2012), Predicting takeover targets-case of Croatian insurance companies (1998-2010). The Journal of Global Business Management, 8(1), 33.

Malhotra, N.K. (2010), Marketing Research an Applied Orientation. 6th ed. New Jersey: Prentice Hall.

Moin, A. (2003), Merger Akuisisi dan Divestasi. Edisi Pertama. Yogyakarta: Ekonisia.

Moin, A. (2010), Merger, Akuisisi & Divestasi. Edisi Kedua. Yogyakarta: Ekonisia.

Monroe, R.J., Simkowitz, M.A. (1971), Investment characteristics of conglomerate targets: A discriminant analysis. Southern Journal of Business, 9, 1-16.

Peat, M., Stevenson, M. (2009), Predicting Australian Takeover Targets: A Logit Analysis. Paper presented at the 3rd MEAFA Workshop, University of Sydney, January, 2009.

Poles, A. (2008), Predicting Takeover Targets in The European Utility Sector. Thesis.

Sorensen, D.E. (2000), Characteristics of merging firms. Journal of Economics and Business, 52, 423-433.

Sudana, I.M. (2009), Manajemen Keuangan Teori dan Praktek. Surabaya: Pusat Penerbitan dan Percetakan Unair (AUP).

Suwardjono. (2005), Teori Akuntansi: Perekayasaan Pelaporan Keuangan Edisi Ketiga. Yogyakarta: BPFE.

Syamsuddin, L. (2002), Manajemen Keuangan Perusahaan, Edisi Baru, Cetakan Ketujuh. Jakarta: Rajawali Pers.

Tsagkanos, A.G., Georgopoulos, A., Siriopoulos, C. (2006), Predicting takeover targets: New evidence from a small open economy. Electronic Journal, 13.

Tzoannos, J., Samuels, J.M. (1972), Mergers and takeovers: The financial characteristics of companies involved. Journal of Business Finance, 4(3), 5-16.

Wansley, J.W., Roenfledt, R.L., Cooley, P.L. (1983), Abnormal returns from merger profiles. Journal of Financial and Quantitative Analysis 18: 149-62.

Author Queries???

AQ1: Kindly provide significant value

Turnitin IJEFI

ORIGINALITY REPORT

17%	12%	7%	10%
SIMILARITY INDEX	INTERNET SOURCES	PUBLICATIONS	STUDENT PAPERS

PRIMARY SOURCES

#	Source	Type	%
1	Submitted to Trisakti University	Student Paper	1%
2	core.ac.uk	Internet Source	1%
3	Submitted to Kenyatta University	Student Paper	1%
4	archive.org	Internet Source	1%
5	Submitted to Universiti Selangor	Student Paper	1%
6	Shu-Cherng Fang, Jacob H.-S. Tsao. "Chapter 360 Maximum Entropy Principle: Image Reconstruction", Springer Science and Business Media LLC, 2008	Publication	1%
7	digilib.k.utb.cz	Internet Source	1%
8	Submitted to President University	Student Paper	1%

9	Submitted to Colorado State University, Global Campus Student Paper	1%
10	bircu-journal.com Internet Source	1%
11	ccsenet.org Internet Source	<1%
12	docplayer.net Internet Source	<1%
13	www.coursehero.com Internet Source	<1%
14	www.scribd.com Internet Source	<1%
15	www.ejournal.pelitaindonesia.ac.id Internet Source	<1%
16	Submitted to University of the Netherland Antilles Student Paper	<1%
17	mpra.ub.uni-muenchen.de Internet Source	<1%
18	Submitted to University of Central England in Birmingham Student Paper	<1%
19	mafiadoc.com Internet Source	<1%

#	Source	Type	Similarity
20	spu.fem.uniag.sk	Internet Source	<1%
21	ieomsociety.org	Internet Source	<1%
22	pubhtml5.com	Internet Source	<1%
23	wrap.warwick.ac.uk	Internet Source	<1%
24	Moch. Khoirul Anwar, A'rasy Fahrullah, Ahmad Ajib Ridlwan, Muhammad Hasan Muzaki, Clarashinta Canggih, Achmad Kautsar. "THE INFLUENCE OF RELIGIOSITY ON INCOME AND PROSPERITY: THE INDONESIAN CONTEXT", Humanities & Social Sciences Reviews, 2020	Publication	<1%
25	Submitted to University of Glamorgan	Student Paper	<1%
26	media.neliti.com	Internet Source	<1%
27	ujcontent.uj.ac.za	Internet Source	<1%
28	Mahdi Attia Jubouri. "The Impact of Credit Risk Management in Financial Market Indicators—Analytical Study in the Iraqi Market for Securities", Journal of Financial Risk Management, 2018		<1%

Publication

29	pdfs.semanticscholar.org Internet Source	<1 %
30	repository.must.ac.ke Internet Source	<1 %
31	Submitted to Universitas Jenderal Soedirman Student Paper	<1 %
32	garuda.kemdikbud.go.id Internet Source	<1 %
33	Submitted to University of Sunderland Student Paper	<1 %
34	worldwidescience.org Internet Source	<1 %
35	pure.tue.nl Internet Source	<1 %
36	adoc.pub Internet Source	<1 %
37	dspace.nitrkl.ac.in Internet Source	<1 %
38	ejournal.undiksha.ac.id Internet Source	<1 %
39	ijsshr.com Internet Source	<1 %

#	Source	Similarity
40	Submitted to Higher Education Commission Pakistan Student Paper	<1 %
41	Pallant, Julie. "SPSS Survival Manual: A Step by Step Guide to Data Analysis using IBM SPSS", SPSS Survival Manual: A Step by Step Guide to Data Analysis using IBM SPSS, 2020 Publication	<1 %
42	ebrary.ifpri.org Internet Source	<1 %
43	etheses.uin-malang.ac.id Internet Source	<1 %
44	www.businessinsider.com Internet Source	<1 %
45	Marieke M. ter Wee, Birgit I. Lissenberg-Witte. "A Quick Guide on How to Conduct Medical Research", Springer Nature, 2019 Publication	<1 %

Exclude quotes	Off	Exclude matches	Off
Exclude bibliography	On		