Analyzing Performance of Acquiring Firms across Different Sectors in Colombo Stock Exchange using data mining

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Declaration

I certify that this dissertation does not incorporate any material previously submitted for a degree or diploma in any university without acknowledgement, and to the best of my knowledge and belief that, it does not contain any material previously published or written by another person or myself except where due reference is made in the text.

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I approve the dissertation for submission.

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Abstract

This study is conducted to observes the post-acquisition performance of merge and acquiring deals in Sri Lanka in the long run in terms of accounting based measure and market based measure, using mean comparison and event study methods respectively, for the merger and acquisition deals announced in between 2002 and 2014. The results indicate that mergers and acquisitions negatively affect the post-acquisition performance of the acquiring companies in Sri Lanka. The results further reveal that the overreaction in response to the merger and acquisition announcement made by the market is not corrected itself within a short period of time and corrects itself in the long-run.

Keywords: Mergers and Acquisitions, Post-Acquisition Performance, Mean Comparison, Event Study, Industry Sectors