

## Table of Contents

<b>Title.....</b>	<b>i</b>
<b>Validity Sheet.....</b>	<b>ii</b>
<b>Approval Sheet .....</b>	<b>iii</b>
<b>Statements of Work’s Originality.....</b>	<b>iv</b>
<b>Preface.....</b>	<b>v</b>
<b>Table of Contents .....</b>	<b>vi</b>
<b>List of Figures.....</b>	<b>viii</b>
<b>List of Tables .....</b>	<b>viii</b>
<b>Abstract.....</b>	<b>ix</b>
<b>Abstrak.....</b>	<b>x</b>
<b>CHAPTER I.....</b>	<b>1</b>
<b>INTRODUCTION.....</b>	<b>1</b>
<b>1.1 Background .....</b>	<b>1</b>
<b>1.2 Problem Statement .....</b>	<b>7</b>
<b>1.3 Research Questions.....</b>	<b>8</b>
<b>1.4 Research Purpose .....</b>	<b>9</b>
<b>1.5 Scope of Research .....</b>	<b>9</b>
<b>1.6 Research Contribution .....</b>	<b>10</b>
<b>1.7 Writing Method .....</b>	<b>11</b>
<b>CHAPTER II .....</b>	<b>12</b>
<b>THEORETICAL FRAMEWORK .....</b>	<b>12</b>
<b>2.1 Business Combination .....</b>	<b>12</b>
<b>2.2 Types of Business Combination.....</b>	<b>13</b>
2.2.1 Merger.....	13
2.2.2 Acquisition .....	14
2.2.3 Consolidation .....	15
<b>2.3 Merger &amp; Acquisition Types .....</b>	<b>16</b>
2.3.1 Merger or consolidation .....	17
2.3.2 Acquisition of stock .....	18
2.3.3 Acquisition of assets.....	18
<b>2.4 Merger and Acquisition Motives.....</b>	<b>19</b>
2.4.1 Economic motives .....	20
2.4.2 Synergy .....	20
2.4.3 Diversification .....	23
2.4.4 Non-economic motives .....	23
<b>2.5 Financial Statement.....</b>	<b>25</b>

2.6 Financial Ratios .....	26
2.6.1 Liquidity .....	28
2.6.2 Solvency .....	28
2.6.3 Profitability .....	28
2.7 Previous Studies .....	30
2.8 Hypothesis Development .....	31
<b>CHAPTER III .....</b>	<b>36</b>
<b>RESEARCH METHODOLOGY .....</b>	<b>36</b>
3.1 Research Design .....	36
3.2 Source of Data .....	37
3.2 Population and Sample .....	37
3.3 Operational Variables Definition .....	39
3.4 Data Collection Method .....	42
3.5 Analysis Method .....	42
3.6 Hypothesis Testing .....	43
3.6.1 Normality Test .....	43
3.6.2 Heteroscedasticity Test .....	44
3.6.3 Paired T-Test .....	44
3.6.4 Wilcoxon Signed Ranks Test .....	45
<b>CHAPTER IV .....</b>	<b>46</b>
<b>Analysis .....</b>	<b>46</b>
4.1 Financial Statement Analysis .....	46
4.1.1 Current Ratio .....	47
4.1.2 Debt to Equity Ratio .....	48
4.1.3 Operating Profit Margin .....	49
4.1.4 Return on Asset .....	50
4.1.5 Return on Equity .....	51
4.2 Normality Test .....	52
4.3 Homogeneity Test .....	54
4.4 Parametric and Non-Parametric Test .....	55
<b>CHAPTER V .....</b>	<b>58</b>
<b>CONCLUSION AND RECOMMENDATIONS .....</b>	<b>58</b>
5.1 Conclusion .....	58
5.2 Limitation .....	59
5.3 Recommendations .....	60
<b>REFERENCES .....</b>	<b>61</b>
<b>Appendix .....</b>	<b>63</b>

## List of Figures

Figure 2. 1 Bank Danamon Merger Illustration .....	14
Figure 2. 2 PT Semen Gresik Acquisition Illustration .....	15
Figure 2. 3 Bank Mandiri Consolidation Illustration .....	16
Figure 2. 4 Acquisition Classification .....	19
Figure 2. 5 Research Framework .....	32

## List of Tables

Table 2. 1 Previous Studies .....	30
Table 3.1 Sample Selection .....	38
Table 4.1 Current Ratio .....	47
Table 4.2 Debt to Equity Ratio .....	48
Table 4.3 Operating Profit Margin .....	49
Table 4.4 Return on Asset .....	50
Table 4.5 Return on Equity .....	51
Table 4.6 One-Sample Kolmogorov-Smirnov Test Results .....	53
Table 4.7 Test of Homogeneity of Variances Results .....	54
Table 4.8 Wilcoxon Signed Rank Test and Paired Sample T-test Results .....	55