

CHAPTER V

CONCLUSION AND IMPLICATION

A. Conclusion

1. There is a significant difference between the current ratio pre and post merger and acquisition of manufacturing companies in Indonesia.
2. There is not a significant difference between the total assets turn over pre and post merger and acquisition of manufacturing companies in Indonesia.
3. There is not a significant difference between the debt to equity ratio pre and post merger and acquisition of manufacturing companies in Indonesia.
4. There is not a significant difference between the earning per share pre and post merger and acquisition of manufacturing companies in Indonesia.
5. There is a not significant difference between the return on investment pre and post merger and acquisition of manufacturing companies in Indonesia

B. Implication

1. For investors in deciding to buy or sell a stock did not only see the stock price, however they should consider the price of book value. This is because stock price usually not describes the actual performance of the stock. In addition to that stock prices are not always able to describe the condition of the financial company, because determined by the supply and demand of the stock in secondary market.

2. The results provided input for the parties who interested in the company's performance, especially business people in conducting merger and acquisition decisions. By these findings, it is expected that companies will be more careful or cautious in making decisions and advised to undertake good and detail integrated planning before implementing mergers and acquisitions. Therefore, the main purpose of the merger and acquisitions which is synergies establishment could be successfully achieved.
3. For companies that already conducting mergers and acquisitions, they need to evaluate the performance of the company particularly whether it's result in good synergy after performing mergers and acquisitions.
4. To provide a better financial performance after the acquisition, a company should be able to expand its market share. Thus, the product sales will increase significantly. Furthermore, company may also expands the business by engaging a partnership. Moreover, the company's assets without economic value should be sold. The lack of significant differences indicate failure of companies in achieving the objective of mergers and acquisitions which is synergy.

C. Limitation of study

1. This research only studies about several aspects of fundamental financial ratio. The next research could identify other variables that may have explained merger and acquisition effect.
2. This study only analyzed companies from manufacturing sector. For further research could examine company's performance in other aspects of manufacturing.
3. This study only examined two years pre and post merger and acquisition. The next research could also be prolonged to include more samples so that the research could have a thorough population of the event.