

Merger and Acquisition: The Effect of Merger and Acquisition on Emerging Companies

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Abstract: *Merger and acquisitions are nationally and internationally adopted strategies for the expansion of the business. The process of target evaluating firms and companies. A research overview helps to summarize the frontier in Merger & Acquisition was it and how can be expanded. It helps to undertake the integration of research in order to derive theoretical & practical knowledge and research. Merger and Acquisition help to improve the efficiency of companies. It studied people, organizations, environment for performance and analysed past events by various methods. Merger & Acquisition is a structure that restructures corporate strategy that affects the performance of the company, business on many more other parameters.*

Keywords: Merger and Acquisition, companies, profitability, pre, and post-performance, Techniques and resources utilizations

1. Introduction

Merger and Acquisition is a strategy for the growth and expansion of business by firms or companies. A large geographic area is covered by Mergers and acquisitions. To achieve all globalization and to compete for the faced challenges and problems by corporate and banking sector do its operations through Merger and Acquisition. According to the new classical theory, profit can be easily minimized and improved productivity, and achieve all global aspects. When the company's CEO wants to increase productivity or specific goals boost up performance, want to retain for the long term in the market the through to achieve another company or Merger with other company. The terms Merger and Acquisition are often used interchangeably however they have slightly different meanings when one company takes over to another company to establish itself as the new one the purchase is called Acquisition. Since the merger and acquisition process is synergy through companies takes benefits of growth opportunities by joining forces with another one company it helps to reduce the cost improvement of distribution better use of resources and techniques.

2. Literature Review

Merger and Acquisition have been an important way for the modern firm to change the market easily. A successful Merger and Acquisition could change the result in advanced technology and easily create value for the business and help to improve the productivity of the companies. (Chanmugam et al, 2005; Halkos and Tzeremes, 2013).

Merger and Acquisition help to primary research streams easily categorized into three domains. 1) Strategic magic. 2) Technical-based matching. 3) Organisational matching. 4) Resources-based matching. (Rabi Narayan Kar & Amit Soni's paper (4)) Emphasized dating merger as a strategy to enhance the enterprise value. The researcher selected the period post – liberalization to analyze the impact of mergers which helps to improve and increase the productivity of companies and maintain resources to fully acquisition.

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Objectives

- 1) To evaluate and analyze the liquidity and liabilities affected by companies.
- 2) To find out the relationship between Merger companies on Acquisition companies.
- 3) To evaluate mitigate the weakness of either business and bolster their combined strategies.
- 4) Through merger and acquisition combining assets of another company increase the strength of profit sale of companies and market share.

Hypothesis

- 1) H0 there is no difference between acquiring a company post-merger.
- 2) H1 there is a significant difference between acquiring a company pre & post-merger.

Methods

A descriptive study is carried out to the effect of mergers & acquisitions on companies and their business.

Secondary data collected

Qualitative Methods.

Research Question

- 1) What is the effect of mergers & acquisitions on emerging companies.
- 2) How companies works and which types of techniques are used in merger & acquisition.

Research Gap

This paper also suggests that mergers & acquisitions help to not only increase the productivity of companies but with

these pre and post methods helps to increase the value of the firm as well as the company. Company policies and practices help to increase the morale of the company's members when framed to satisfy the member's demand. It helps to understand the Macroeconomics environment besides the effect of the merger which impacts the performance and improvement of the acquirer companies and reduces the overall cost of transaction and easily competes with the competitors.

3. Finding of the study

Finding from several studies on corporate mergers and acquisition during the 1970s raises questions. One study shows why firms initiate and consummate these all transactions. Before merger and acquisition companies are not able to corporate and acquire pre-level of the merger of profitability. Second companies are covered premium paid to obtain firms. So the finding of the study after the merger and acquisition firms may well have drastic changes in national resources from less efficiency to more efficiency.

Merger of BYJU's and Akash Education Service. Akash education service is 33 years old coaching Institute that offers test preparations for medical and engineering entrance exams school boards exams etc. BYJUS was founded in 2011 as an educational company that offers online learning programs. BYJU's is top startup online learning area learning in the Indian market. Outcome of this merger is as below:

Reduce competitions: BYJU's acquire Akash education services. So that company market share increase and competitions in the market will reduce automatically.

Benefits of monopoly: Due to the merger BUYJU's enjoy the benefits of monopoly in the market. BYJU's not only acquire the Akash education they acquire others many startup like toppers label etc. for increasing their market share and reduce the market competitions in the market.

4. Significance of the study

- 1) Merger & Acquisition are acts of consolidating companies or assets, towards growth, help to compete Competitive advantages can easily increase market share and value of companies.
- 2) Companies can easily keep evaluating the different opportunities through the route of merger & acquisition.
- 3) It helps to two separate companies together create more value and position compared to an individual.
- 4) It helps to avoid replication. Expand business in new urban-rural and geographical areas.

5. Conclusion

Merger & acquisition is a key role in a company's growth. The period under study reveals that the merger and acquisition appear to have added more value than expected to acquire companies. Because due to added many factors including environmental sustainability and deal driver for the merger from the acquired companies. In India, there are

some factors to constrain the performance of Companies' global financial crisis. It helps to a company's growth and surely improves the long term development scheme.

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