A STUDY OF INFORMATION EFFECTS ON MERGE AND ACQUISITION ANNOUNCEMENT BETWEEN ELECTRONIC INDUSTRY AND OTHER INDUSTRIES IN TAIWAN

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ABSTRACT

THIS STUDY INVESTIGATED THE INFORMATION EFFECTS ON MERGE AND ACQUISITION ANNOUNCEMENT BETWEEN ELECTRONIC INDUSTRY AND OTHER INDUSTRIES IN TAIWAN. RESEARCH METHOD WAS USING EVENT STUDY TO EXAMINED FOLLOWING 7 HYPOTHESES: 1. EVALUATED WHETHER THERE IS ANY "INFORMATION EFFECTS" AFTER THE ANNOUNCEMENT OF MERGE AND ACQUISITION. 2. EXAMINED WHETHER THERE IS "SEMI-EFFICIENT MARKET HYPOTHESIS" IN STOCK MARKET OF TAIWAN BY REALITY METHOD. 3. PROVIDED SUGGESTIONS TO INVESTORS ABOUT ANY "SECURITY ABNORMAL RETURN" CONCERNING RELATED STOCK. 4. EVALUATED THE INFORMATION EFFECTS ON MERGE AND ACQUISITION ANNOUNCEMENT BETWEEN ALL INTERNATIONAL COMPANIES. 5. COMPARED THE INFORMATION EFFECTS ON MERGE AND ACQUISITION ANNOUNCEMENT BETWEEN ELECTRONIC INDUSTRY AND NON-ELECTRONIC INDUSTRIES. 6. COMPARED THE INFORMATION EFFECTS ON MERGE AND ACQUISITION ANNOUNCEMENT BETWEEN BULL MARKET OR BEAR MARKET PERIOD. 7. COMPARED THE INFORMATION EFFECTS ON MERGE AND ACQUISITION ANNOUNCEMENT BETWEEN FOREIGN AND DOMESTIC TARGET COMPANIES. THE RESULTS OF THIS STUDY IS AS BELOW: 1. THE ANNOUNCEMENT OF MERGE AND ACQUISITION IS GOOD FOR INVESTORS, THEREFORE, THERE IS INFORMATION EFFECTS ON MERGE AND ACQUISITION ANNOUNCEMENT. 2. THERE IS "SE STRONG HYPOTHESIS" IN STOCK MARKET OF TAIWAN BECAUSE THE MARKET HAD SOON AND ADEQUACY REACTIONS. 3. BEFORE THE DAY OF ANNOUNCEMENT, MERGE AND ACQUISITION INFORMATION HAVE SECURITY ABNORMAL RETURN. 4. THERE IS NO DIFFERENT INFORMATION EFFECTS ON MERGE AND ACQUISITION ANNOUNCEMENT BETWEEN ELECTRONIC INDUSTRIES AND NON-ELECTRONIC INDUSTRIES. 5. THERE IS NO DIFFERENT INFORMATION EFFECTS ON MERGE AND ACQUISITION ANNOUNCEMENT BETWEEN BULL MARKET OR BEAR MARKET PERIOD. 6. THERE IS NO DIFFERENT INFORMATION EFFECTS ON MERGE AND ACQUISITION ANNOUNCEMENT BETWEEN FOREIGN AND DOMESTIC TARGET COMPANIES. 7. THE RESULTS UNDER HYPOTHESIS OF EFFECTIVE MARKET ARE THE SAME, NO MATTER USING MARKET MODEL, MARKET ADJUSTED RETURN MODEL OR MEAN ADJUSTED MODEL TO TEST.

Keywords : MERGERS AND ACQUISITION.

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