

**"FINANCIAL IMPLICATIONS OF MERGER AND ACQUISITION IN
AUTOMOBILE INDUSTRY"**



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Abstract

Purpose – The main objective of this study is to analyze the financial implication of merger and acquisition in automobile industry. Purpose of research is to check the pre and post-merger performance of Acquiring Company.

Design/methodology/approach – Descriptive research design is used to find out the financial impacts of merger and acquisition on company's performance. Descriptive research design is defined as the research that is conducted in particular point in time to investigate and describe certain phenomenon. Qualitative and quantitative research methods have been used to bring the best result of the subject. Firstly the secondary data on automobile industry is used that was in the form of financial digits and using that secondary data calculations are made with the help of Microsoft Excel. Secondly Analysis was done on basis of comparing the performance of automobile industry over the years and effect of merger on financial performance of company..

Results –After Merger Company financial performance has increased over the time and merger has created value for the shareholders and for the acquiring firm. Overall merger has positive impact on acquiring firm in terms of performance and profitability.

Originality/value – This is the first study that is conducted on Fiat and Chrysler and concludes the result on comparative basis that what are the financial implications of merger and acquisition in automobile industry.

Keywords: Merger and acquisition, financial performance, value creation, stock performance, liquidity ratio, profitability ratio, activity ratio.

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DEDICATION

I dedicate my dissertation work to my family and many friends. I also dedicate this dissertation to my supervisor *Osman Bin Saif* who has supported me throughout the research process. It is also dedicated to my mother, who taught me that even the largest task can be accomplished if it is done one step at a time. And lastly it is dedicated to my best friend who encouraged and supported me.

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