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Analysis Of Liquidity Ratio, Profitability, Solvency, And Activity Before And After Mergers Or Acquisitions In Mergers Or Acquisitions Companies Listed On The Indonesia Stock Exchange (2015-2019 Period)

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ABSTRACT

The purpose of this research is to examine the financial ratios of companies that merge or acquire. The study period used is 2015-2019. Purposive sampling was used in the sampling technique, and 7 companies were obtained. The data used is secondary data obtained from KPPU and BEI. SPSS version 25 was used to analyze data on test normality, paired·sample t-tests, and·Wilcoxon's signed·rank test. There was a significant difference in the liquidity ratio proxied by current ratio between 1 (one) year before and 1 (one), 2 (two), and 3 (three) years after a merger or acquisition, but no significant difference in the profitability ratios proxied by return on assets, return on equity, and net profit margin, solvency ratio proxied by debt to asset ratio, and activity ratio proxied by total asset turnover between 1 (one) year before and 1 (one) year after.

1. INTRODUCTION

The development of the era in this increasingly advanced era of globalization, causes intense competition among existing companies and requires companies to always develop strategies in order to survive and develop their business. Companies must carry out the right strategy to maintain existence and repair performance. In [1] reveals that one of the ways companies can achieve efficiency, competitiveness and increase profits is to expand business.

According to [2], business expansion is a process of expanding or developing a business with the aim of achieving efficiency and improving company performance. There are two ways to grow a business: internal growth and external growth. Internal expansion is business development that occurs without the involvement of outside organizations, such as using new sales methods and increasing production capacity, whereas external expansion involves organizations outside the company, such as business combinations such as mergers and acquisitions.

According to [3], a merger is the merging of two or more companies into one company, where the acquiring company retains its identity while the company being taken over (the target company) ceases its business activities and merges its legal entities. So a merger is a merger of two companies with the name of one of the merging companies. While the definition of acquisition according to [4], acquisition is a merger of two companies in which the acquiring company buys a portion of the shares of the company being acquired, so that the management control of the acquired company shifts to the acquiring company, while the two companies each continue to operate as a legal entity. which stands alone.

Business combinations such as mergers and acquisitions are a solution so that the company continues to grow, progress, and so that the company does not experience bankruptcy. In many literatures it is revealed that the motives or reasons for companies to carry out mergers and acquisitions are to advance the company, as revealed by [5] the main motives for conducting mergers and acquisitions are synergy, tax considerations, purchase of assets below the replacement cost , diversification, manager's personal incentives, and·residual value.

One example, recently there was a business merger in Indonesia, namely in 2019 with the acquisition of the company Bank Bukopin by Kookmin Bank. Kookmin Bank becomes the controlling shareholder because it holds 51 percent of Bank Bukopin's share ownership. Before Kookmin Bank became the controlling shareholder, it was recorded that the majority of Bank Bukopin's shares were held by the public at 45.69 percent. Then PT Bosowa Corporindo at 23.39 percent and the State at 8.91 percent [6]. This acquisition occurred because Bank Bukopin was trying to strengthen its capital and improve its liquidity.

The decision of a company in conducting mergers and acquisitions cannot be separated from problems, including the costs for conducting mergers and acquisitions are very expensive, and the results are not necessarily as expected. In conducting mergers and acquisitions there are two things that must be considered, namely the value generated from merger and acquisition activities and who are the parties who will benefit the most from these activities [7]. As is mergers and acquisitions are expected to generate synergies so that the value of the company will increase.

The benchmark for the success of business combination activities, such as mergers and acquisitions, can be seen from its financial performance, in this case measured using financial ratios. Where are the companies that carry out mergers and acquisitions? there is enhancement performance which could seen in report finance or through financial statement ratios.

Ratio analysis can be grouped into five categories, namely liquidity ratios, ratio profitability, ratio solvency, ratio activity and ratio market. According to [8] ratio liquidity is ratio which refers to on the company's ability to meet its short-term financial obligations. Measurement ratio liquidity which important is ratio fluent (current ratio), that is the ratio that measure asset fluent which available for Fulfill liability period in short. Another type of liquidity ratio measurement is the quick ratio. The liquidity ratio is very useful for the company to see how strongly a company pays its current liabilities with its current assets. In research In this case, the author is interested in using the current ratio, because it can give an idea of whether company the liquid or no, Thing this also aim so that investors can carry out a strategy, such as a merger or acquisition.

According to [8] the profitability ratio is the ratio that connects the income statement post with sales. Meanwhile, according to [9] ratio profitability consist on two type, that is ratio which shows profitability in relation to sales and ratios which show profitability in relation to investment. This ratio, when combined, will demonstrate the company's overall operational effectiveness. Profitability ratios can be measured using return on assets, return on equity, return on investment, net profit margin, gross profit margin, and so on. Profitability ratio is very useful for company, investors and creditor in evaluate amount profit obtained and the amount of company profits and to make decisions in carrying out a strategy, such as mergers or acquisitions. In this study the authors are interested in using the ratio of return on assets, return on equity and net profit margin ratio.

[10] stated in a study that there is a significant difference in ratio return on assets, return on equity, and net profit margin between before and after mergers and acquisitions. [11] there is a significant difference in net profit margins before and after mergers and acquisitions. [12] there are significant differences in return on equity before and after mergers and acquisitions.[13], there is a difference in return on assets before and after the merger and acquisition. [1], there is a difference in the return on assets ratio and net profit margin ratio before and after mergers and acquisitions.

According to [14] the solvency ratio or leverage ratio is a ratio used to measure the extent to which the company's assets are financed by liabilities. Meanwhile, according to [8] the solvency ratio is a ratio that refers to the company's ability to meet long-term financial obligations. Solvency ratio measurement can be done with debt to asset ratio , debt to equity ratio , times interest earned ratio, etc. The solvency ratio is very useful for companies and investors in measuring the extent to which the company can finance all debts and is useful for making a decision in carrying out a strategy, such as a merger or acquisition. In this study, the authors are interested in using the debt to asset ratio in measuring the solvency ratio of a company before and after conducting a merger or acquisition, because it can describe the extent to which the company's debt affects asset management. there is.

According to a study conducted by [15] the solvency ratio (debt to asset ratio) differs significantly before and after mergers and acquisitions. [12], there is a significant difference in the Debt to Asset Ratio (DAR) before and after mergers and acquisitions. [16], there is a significant difference in the debt to asset ratio before and after mergers and acquisitions.

According to [9] the activity ratio is also referred to as ratio efficiency or rotation. Ratio activity is ratio·which measures how effectively a company uses·its assets. Meanwhile, according to [14] the activity ratio is the ratio used to measure effectiveness company in use asset which have, including to measure the level of efficiency of the company in utilizing existing resources. This ratio is also used to assess the company's ability to carry out daily activities. Activity ratio calculation can use account receivable turnover, inventory turnover, total asset turnover, working capital turnover , etc. The activity ratio is very useful for companies and investors to see a company's activities and to make decisions in carrying out a strategy, such as mergers or acquisitions. In this study the authors are interested in using total asset turnover in measuring the activity ratio of a company before and after a merger or acquisition, because it can determine the company's ability to utilize its assets to generate revenue sale.

In research conducted by [1], there is a significant difference in the activity ratio (total asset turnover) before and after mergers and acquisitions. [17], there is a significant difference in the activity ratio, which is proxied by total assets turnover prior to and after merger and acquisition. [15], there is a difference in total asset turnover before and after mergers and acquisitions.

According to [18] ratio score market (market value raito), is the ratio which will connect price share company on profit, current cash, and company book value. These ratios can provide management with insight into how investors perceive past performance. If the liquidity, asset management, debt management, and profitability ratios all appear to be high, the market value ratios will also be high, and the stock price will likely rise. The price earning ratio, dividend·payout ratio, and dividend yield ratio can all be used to calculate the market value ratio.

2. METHOD

This is an example of quantitative research. The data used in this study is secondary data in the form of company financial statements. Secondary data was used in this study, specifically Financial Statements originating from the official websites of the IDX and the Business Competition Supervisory Commission (KPPU) in the form of data on companies conducting mergers or acquisitions from 2015 to 2019. This study's population consists of publicly traded companies on the Indonesia Stock Exchange (IDX). The sample in this study were 7 companies within a period of 4 years. Sampling in·this study·was conducted by·purposive sampling·method. The·research technique used·is data·analysis technique

3. RELUST AND DISCUSSION

3.1 RESULT

a. Descriptive Statistics Test

Table 1. Current Ratio (CR) Descriptive Statistical Analysis Table

Descriptive Statistics

	N	Mean	Std. Deviation	Min	Max
CR 1 year before merger or acquisition	7	8.7214	17.98752	.49	49.43
CR 1 year after merger or acquisition	7	198.6671	153.30095	75.95	520.93
CR 2 years after merger or acquisition	7	190.8586	134.16785	37.42	465.69

CR 3 years after merger or acquisition	7	191.1943	133.75804	27.96	469.68

Source: processed data (2021)

Table 2. Return On Asset (ROA) Descriptive Statistical Analysis Table
Descriptive Statistics

	N	Mean	Std. Deviation	Min	Max
ROA 1 year before merger or acquisition	7	3.7586	2.28722	.09	7.04
ROA 1 year after merger or acquisition	7	4.1386	2.76285	-.81	7.83
ROA 2 years after merger or acquisition	7	4.4086	2.93114	1.47	9.78
ROA 3 years after merger or acquisition	7	2.8486	2.77852	-1.69	7.48

Source: processed data (2021)

Table 3. Return On Equity (ROE) Descriptive Statistical Analysis Table
Descriptive Statistics

	N	Mean	Std. Deviation	Min	Max
ROE 1 year before merger or acquisition	7	6.3043	5.40461	.65	12.00
ROE 1 year after merger or acquisition	7	11.1886	9.16324	-2.16	29.01
ROE 2 years after merger or acquisition	7	9.1329	7.90131	2.47	22.06
ROE 3 years after merger or acquisition	7	4.8957	6.17525	-3.91	16.46

Source: processed data (2021)

Table 4. Net Profit Margin (NPM) Descriptive Statistical Analysis Table
Descriptive Statistics

	N	Mean	Std. Deviation	Min	Max
NPM 1 year before merger or acquisition	7	15.7543	19.47080	.26	55.86
NPM 1 year after merger or acquisition	7	8.3800	9.12734	-4.83	18.45
NPM 2 years after merger or acquisition	7	13.0071	13.10223	2.56	40.20
NPM 3 years after merger or acquisition	7	8.6143	14.97007	-12.01	37.11

Source: processed data (2021)

Table 5. Debt to Asset Ratio (DAR) Descriptive Statistical Analysis Table
Descriptive Statistics

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	N	Mean	Std. Deviation	Min	Max
DAR 1 year before merger or acquisition	7	53.3171	23.14562	17.07	86.31
DAR 1 year after merger or acquisition	7	58.1014	20.57077	16.65	78.73
DAR 2 years after merger or acquisition	7	50.8829	21.52422	16.99	75.49
DAR 3 years after merger or acquisition	7	47.2586	25.63831	7.75	76.74

Source: processed data (2021)

Table 6. Total Asset Turnover (TATO) Descriptive Statistical Analysis Table
Descriptive Statistics

	N	Mean	Std. Deviation	Min	Max
TATO 1 year before merger or acquisition	7	75.4557	91.99642	12.61	256.50
TATO 1 year after merger or acquisition	7	82.7614	93.62101	16.72	273.05
TATO 2 years after merger or acquisition	7	78.3943	98.37490	9.53	273.94
TATO 3 years after merger or acquisition	7	83.6843	121.82646	11.78	337.98

Source: processed data (2021)

b. Normality Test

Table 7. Table of Normality Test Results Data Current Ratio (CR)
One-Sample Kolmogorov-Smirnov Test

		CR 1 year before merger or acquisition	CR 1 year after merger or acquisition	CR 2 year before merger or acquisition	CR 3 year before merger or acquisition
N		7	7	7	7
Normal Parameters[a,b]	Mean	8.7214	198.6671	190.8586	191.1943
	Std. Deviation	17.98752	153.30095	134.16785	133.75804
Most Extreme Differences	Absolute	.456	.265	.284	.398
	Positive	.456	.265	.284	.398
	Negative	-.324	-.212	-.167	-.238
Test Statistic		.456	.265	.284	.398
Asymp. Sig. (2-tailed)		.000[c]	.149[c]	.092[c]	.001[c]

Source: processed data (2021)

The significant level of Current Ratio (CR) 1 (one) year before and 3 (three) years after a merger or acquisition in the table above is 0.05, indicating that the data is not normally distributed. And 1 (one) year and 2 (two) years after the merger or acquisition, the value is greater than 0.05, indicating that the data is normally distributed.

Table 8. Table of Normality Test Results Data Return On Asset (ROA)
One-Sample Kolmogorov-Smirnov Test

		ROA 1 year before merger or acquisition	ROA 1 year after merger or acquisition	ROA 2 year before merger or acquisition	ROA 3 year before merger or acquisition
N		7	7	7	7
Normal Parameters[a,b]	Mean	3.7586	4.1386	4.4086	2.8486
	Std. Deviation	2.28722	2.76285	2.93114	2.77852
Most Extreme Differences	Absolute	.244	.181	.293	.215
	Positive	.244	.106	.293	.149
	Negative	-.219	-.181	-.158	-.215
Test Statistic		.456	.244	.181	.293
Asymp. Sig. (2-tailed)		.000[c]	.200[c,d]	.200[c,d]	.071[c]

Source: processed data (2021)

In the table above, the significant level of Return On Asset (ROA) 1 (one) year before, 1 (one) year after, 2 (two) years after, and 3 (three) year after merger or acquisition shows a value > 0.05 which means the data is normally distributed.

Table 9. Table of Normality Test Results Data Return On Equity (ROE)
One-Sample Kolmogorov-Smirnov Test

		ROE 1 year before merger or acquisition	ROE 1 year after merger or acquisition	ROE 2 year before merger or acquisition	ROE 3 year before merger or acquisition
N		7	7	7	7
Normal Parameters[a,b]	Mean	6.3043	11.1886	9.1329	4.8957
	Std. Deviation	5.40461	9.16324	7.90131	6.17525
Most Extreme Differences	Absolute	.272	.348	.266	.252
	Positive	.272	.348	.266	.252
	Negative	-.219	-.278	-.200	-.181
Test Statistic		.456	.272	.348	.266
Asymp. Sig. (2-tailed)		.000[c]	.128[c]	.010[c]	.145[c]

Source: processed data (2021)

The significant level of Return On Equity (ROE) 1 (one) year before, 2 (two) years after, and 3 (three) years after the merger or acquisition shows a value > 0.05 in the table above, indicating that the data is normally distributed. And one (one) year after the merger or acquisition, the value is 0.05, indicating that the data is not normally distributed.

Table 10. Table of Normality Test Results Data Net Profit margin (NPM)
One-Sample Kolmogorov-Smirnov Test

		NPM 1 year before merger or acquisition	NPM 1 year after merger or acquisition	NPM 2 year before merger or acquisition	NPM 3 year before merger or acquisition
N		7	7	7	7
Normal Parameters[a,b]	Mean	15.7543	8.3800	13.0071	8.6143
	Std. Deviation	19.47080	9.12734	13.10223	14.97007
Most Extreme Differences	Absolute	.272	.230	.348	.234
	Positive	.272	.176	.348	.234
	Negative	-.213	-.230	-.213	-.162
Test Statistic		.456	.272	.230	.348
Asymp. Sig. (2-tailed)		.000[c]	.127[c]	.200[c,d]	.011[c]

Source: processed data (2021)

The significant level of Net Profit Margin (NPM) 1 (one) year before, 1 (one) year after, and 3 (three) years after a merger or acquisition in the table above shows a value > 0.05, indicating that the data is normally distributed. And two (two) years after the merger or acquisition, the value is 0.05, indicating that the data is not normally distributed.

Table 11. Table of Normality Test Results Data Debt to Asset Ratio (DAR)
One-Sample Kolmogorov-Smirnov Test

		DAR 1 year before merger or acquisition	DAR 1 year after merger or acquisition	DAR 2 year before merger or acquisition	DAR 3 year before merger or acquisition
N		7	7	7	7
Normal Parameters[a,b]	Mean	53.3171	58.1014	50.8829	47.2586
	Std. Deviation	23.14562	20.57077	21.52422	25.63831
Most Extreme Differences	Absolute	.167	.270	.302	.240
	Positive	.144	.158	.170	.165
	Negative	-.167	-.270	-.302	-.240
Test Statistic		.456	.167	.270	.302
Asymp. Sig. (2-tailed)		.000[c]	.200[c,d]	.134[c]	.053[c]

Source: processed data (2021)

In the table above, the significant level of Debt to Asset Ratio (DAR) 1 (one) year before, 1 (one) year after, 2 (two) years after, and 3 (three) year after merger or acquisition shows a value > 0.05 which means the data is normally distributed.

Table 12. Table of Normality Test Results Data Total Asset Turnover (TATO)
One-Sample Kolmogorov-Smirnov Test

		TATO 1 year before merger or acquisition	TATO 1 year after merger or acquisition	TATO 2 year before merger or acquisition	TATO 3 year before merger or acquisition
N		7	7	7	7
Normal Parameters[a,b]	Mean	75.4557	82.7614	78.3943	83.6843
	Std. Deviation	91.99642	93.62101	98.37490	121.82646
Most Extreme Differences	Absolute	.383	.357	.348	.364
	Positive	.383	.357	.348	.364
	Negative	-.247	-.240	-.242	-.278
Test Statistic		.456	.383	.357	.348
Asymp. Sig. (2-tailed)		.000[c]	.002[c]	.007[c]	.011[c]

Source: processed data (2021)

In the table above, the significant level of Total Asset Turnover (TATO) is 1 (one) year before, 1 (one) year after, 2 (two) years after, and 3 (three) year after merger or acquisition shows a value of <0.05, which means the data is not normally distributed.

c. Paired Sample T-Test

Table 13. Table of Paired Sample T-Test on Return On Assets (ROA)
Paired Samples Test

	t	df	Sig. (2-tailed)

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Pair 1	ROA 1 year before merger or acquisition - ROA 1 year after merger or acquisition	-.907	6	.400
Pair 2	ROA 1 year before merger or acquisition - ROA 2 years after merger or acquisition	-.466	6	.658
Pair 3	ROA 1 year before merger or acquisition - ROA 3 years after merger or acquisition	.874	6	.415

Source: processed data (2021)

Level of significance of paired sample t-test results (2-tailed) Return on Investment (ROA) 1 year before, 1 year after, 2 years after, and 3 years after merger or acquisition > 0.05, indicating that there is no significant difference.

Table 14. Table of Paired Sample T-Test on Return On Equity (ROE)
Paired Samples Test

		t	df	Sig. (2-tailed)
Pair 4	ROE 1 year before merger or acquisition - ROA 2 year after merger or acquisition	-.712	6	.503
Pair 5	ROE 1 year before merger or acquisition - ROA 3 years after merger or acquisition	.447	6	.670

Source: processed data (2021)

Test results paired sample t-test level of significance (2-tailed) Return On Equity (ROE) 1 (one) year before, 2 (two) year after and 3 (three) year after a merger or acquisition > 0.05 which means there is no significant difference.

Table 15. Table of Paired Sample T-Test on Net Profit Margin (NPM)
Paired Samples Test

		t	df	Sig. (2-tailed)
Pair 6	NPM 1 year before merger or acquisition - ROA 1 year after merger or acquisition	1.333	6	.231
Pair 7	NPM 1 year before merger or acquisition - ROA 3 years after merger or acquisition	.899	6	.403

Source: processed data (2021)

Test results paired sample t-test level of significance (2-tailed) Net Profit Margin (NPM) 1 (one) year before, 1 (one) year after and 3 (three) years after a merger or acquisition > 0.05 which means there is no significant difference.

Table 16. Table of Paired Sample T-Test on Debt to Asset Ratio (DAR)
Paired Samples Test

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		t	df	Sig. (2-tailed)
Pair 8	DAR 1 year before merger or acquisition - ROA 1 year after merger or acquisition	-.639	6	.547
Pair 9	DAR 1 year before merger or acquisition - ROA 2 years after merger or acquisition	.306	6	.770
Pair 10	DAR 1 year before merger or acquisition - ROA 3 years after merger or acquisition	.626	6	.555

Source: processed data (2021)

Test results paired sample t-test level of significance (2-tailed) Debt to Asset Ratio (DAR) 1 (one) year before, 1 (one) year after, 2 (two) years after, and 3 (three) year after merger or acquisition > 0.05 which means there is no significant difference.

Wilcoxon's Signed Rank Test

Tabel 17. Table of Wilcoxon Signed Rank Test Results on Current Ratio (CR)

Test Statistics[a]

	CR 1 year after merger or acquisition - CR 1 year before merger or acquisition	CR 1 year after merger or acquisition - CR 1 year before merger or acquisition	CR 1 year after merger or acquisition - CR 1 year before merger or acquisition
Z	-2.366[b]	-2.197[b]	-2.197[b]
Asymp. Sig. (2-tailed)	.018	.028	.028

Source: processed data (2021)

Wilcoxon Signed Rank Test level significant (2-tailed) Current Ratio (CR) 1 (one) year before , 1 (one) year after , 2 (two) years , and 3 (three) years after after merger or acquisition < 0.05 which means there is a significant difference.

Tabel 18. Table of Wilcoxon Signed Rank Test Results on Return On Equity (ROE)

Test Statistics[a]

	ROE 1 year after merger or acquisition - ROE 1 year before merger or acquisition
Z	-1.352[b]
Asymp. Sig. (2-tailed)	.176

Source: processed data (2021)

Wilcoxon Signed Rank Test Level Signed Rank Test Level Signed Rank Test Level Signed (2-tailed) Return on equity (ROE) 1 year before and 1 year after the merger or acquisition > 0.05, indicating no significant difference.

Tabel 19. Table of Wilcoxon Signed Rank Test Results on Net Profit Margin (NPM)

Test Statistics[a]

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	NPM 1 year after merger or acquisition - ROE 1 year before merger or acquisition
Z	-.338b
Asymp. Sig. (2-tailed)	.735

Source: processed data (2021)

Wilcoxon Signed Rank Test level significant (2-tailed) Net Profit Margin (NPM) 1 (one) year before and 2 (two) years after merger or acquisition > 0.05 which means no there is the difference that significant.

Tabel 17. Table of Wilcoxon Signed Rank Test Results on Total Asset Turnover (TATO)
Test Statistics[a]

	TATO 1 year after merger or acquisition - TATO 1 year before merger or acquisition	TATO 1 year after merger or acquisition - TATO 1 year before merger or acquisition	TATO 1 year after merger or acquisition - TATO 1 year before merger or acquisition
Z	-.845b	-.676b	.000c
Asymp. Sig. (2-tailed)	.398	.499	1.000

Source: processed data (2021)

Wilcoxon Signed Rank Test level significant (2-tailed) Total Asset Turnover (TATO) 1 (one) year before and after , 2 (two) years after , and 3 (three) years after a merger or acquisition > 0.05 which means there is no significant difference.

3.2 DISCUSSION

a. Current Ratio (CR) Among one year before with one year after , two years, and three years after the merger or acquisition

Merger and acquisition activities make the comparison of current assets and current liabilities of the company change. This is because the Current Ratio (CR) has increased significantly after the merger and acquisition as indicated by the average CR before and after the merger or. So it can be concluded, there is a difference which significant on ratio liquidity which proxied with Current Ratio (CR) 1 (one) year before to 1 (one), 2 (two), 3 (three) years after the merger or acquisition.

b. Return On Assets (ROA) between one year before with one year after , two years, and three years after the merger or acquisition

Mergers and acquisitions do not improve a company's ability to earn profits. This is because, as indicated by the average ROA before and after the merger or acquisition, the relative Return On Assets (ROA) did not increase significantly after the merger or acquisition. As a result, there is no significant difference in the profitability ratio proxied by Return On Assets (ROA) 1 (one) year before the merger or acquisition with 1 (one), 2 (two), and 3 (three) years after the merger or acquisition, because the company's management did not optimize sales to increase company profits.

c. Return On Equity (ROE) Among one year before with one year after , two years, and three years after the merger or acquisition

Mergers and acquisitions do not improve a company's ability to earn profits. The average ROE before and after a merger or acquisition shows that return on equity (ROE) increased relatively after mergers and acquisitions. As a result, there is no significant difference in profitability as measured by Return On Equity (ROE) one year before and one year after the merger or acquisition.

d. Net Profit Margin (NPM) Among one year before with one year after , two years, and three

years after the merger or acquisition

Net Profit Margin (NPM) is relatively declining after mergers and acquisitions as indicated by the average NPM before and after mergers or acquisitions. So it can be concluded, there is no significant difference in the profitability ratio proxied by Net Profit Margin (NPM) 1 (one) year before and 2 (two) years after a merger or acquisition, because the company's management does not optimize sales to increase company profits.

e. Debt to Asset Ratio (DAR) Among one year before with one year after , two years, and three years after the merger or acquisition

Merger and acquisition activities have no effect on the results of the company's liabilities versus total assets. This is due to the fact that the Debt to Asset Ratio (DAR) did not significantly increase following mergers and acquisitions, as indicated by the average DAR before and after the merger or acquisition. So it can be concluded, there is no significant difference in the solvency ratio proxied with Debt to Asset Ratio (DAR) before and after merger or acquisition, due to the increasing number of assets accompanied by an increasing amount of debt.

f. Total Asset Turnover (TATO) between one year before with one year after , two years, and three years after the merger or acquisition

Mergers and acquisitions do not improve the company's ability to use its assets to generate revenue. This is due to the relatively minor increase in Total Asset Turnover (TATO) following mergers and acquisitions, as measured by the average TATO before and after the merger or acquisition. So it can be concluded, there is no significant difference in activity ratio proxied by Total Asset Turnover (TATO) 1 (one) year before to 1 (one), 2 (two), 3 (three) years after a merger or acquisition.

4. CONLUSION

Based on the·results of the various tests, there is a significant·difference in the liquidity ratio proxied by Current Ratio (CR) between one year before and one year after the merger or acquisition, two years, and three years after the merger or acquisition, while the profitability ratio proxied by Return On Assets (ROA), Return On Equity (ROE), and Net Profit Margin (NPM), ratio solvency proxied·by Debt to Asset·Ratio (DAR), and activity (TATOON) No, there is a significant difference between one year before and one year after the merger or acquisition, two years, and three years later.

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