

EXPLORING THE EFFECTS OF MERGERS AND ACQUISITIONS ON TECH INDUSTRY STOCK PRICES: AN EVENT STUDY

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RESEARCH

- An event study examines an event's impact on a company's financial performance.
- This can be analyzed by looking at, for example, the stock price of the company, before and after a specific event.

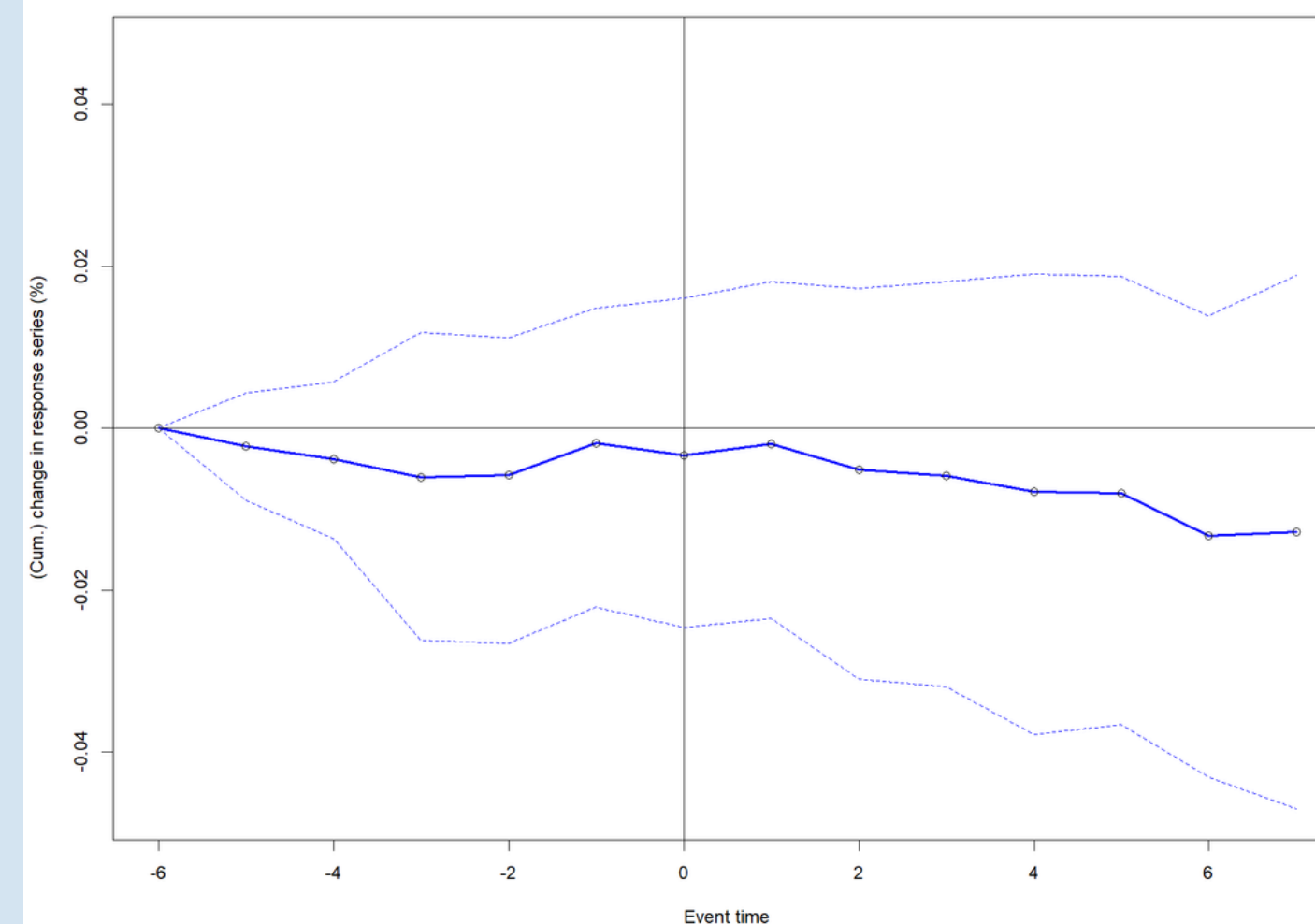
Q: How do stock prices respond to M&A in the tech industry?

MOTIVATION

This project wants to show how M&A affects stock prices in the short run. By looking at how the market reacts to news about M&A, the project aims to connect theories students learn in class with how things work in the real world. It gives insights into how a company's plans and the financial markets are linked, helping students grasp the complexities of the importance of economic decisions.

STEPS SO FAR

- Collecting data (Kaggle)
- Data wrangling:
 - Filtering, selecting, etc.
 - Creating new variables.
 - Full join to get the final data set.
- Trying out the “eventstudies” package.

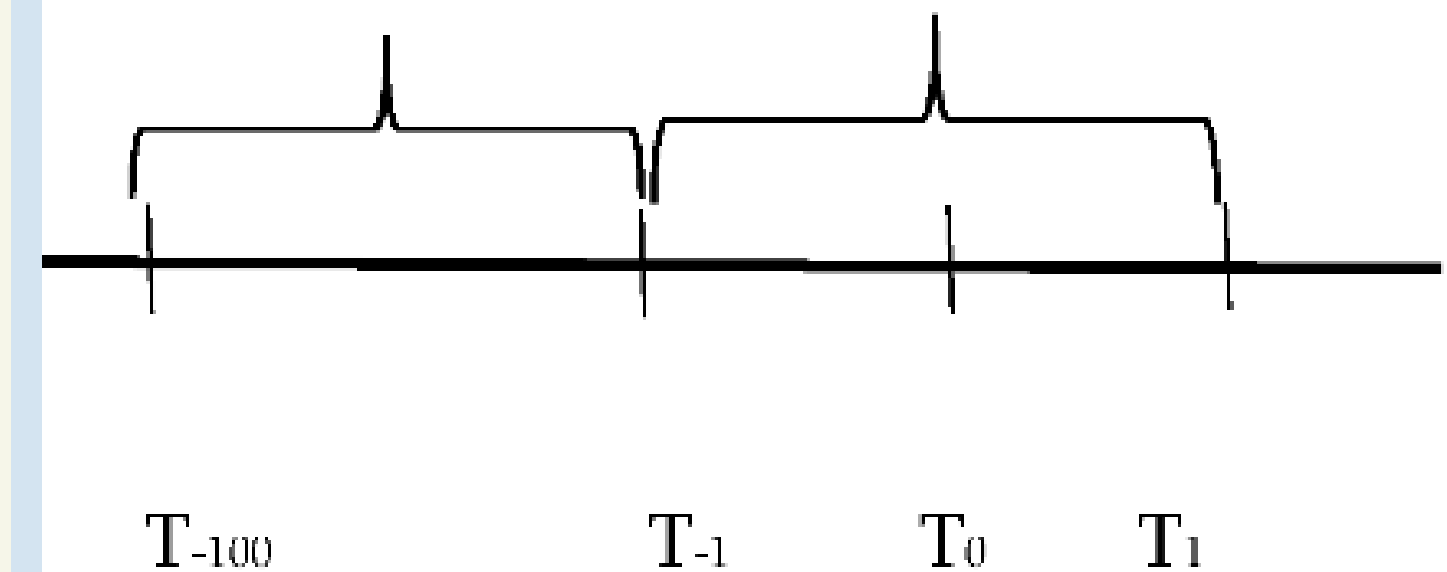


CHALLENGES

- Data collection
- The “eventstudies” package was less useful than expected.

Estimation
window

Event
window



PLANS

- Manually perform the event study analysis:
 - create event/ estimation window
 - run stock returns on market returns to get α and β .
 - calculation of normal and abnormal returns
 - check if the mean abnormal return of all firms is statistically significant.
- Find more data
- Explore a different event study methodology

