

Abstract

This master thesis analyzes the transactions of merger and acquisition for three European countries as Germany, Netherlands and Austria with developed economies and how they are affected by corporate governance in the companies. In order to address, it collects 41 deals from 426 chosen transactions from the 1st of January 2010 to 31st of December 2019. Using method of event study with data from stock market it was examined the cumulative abnormal return on the shares of the acquiring company. Based on the results of the study, the optimum number of directors on the board, the board independence ratio and the length of the CEO's tenure have a positive relation to the effectiveness of mergers and acquisitions at the current level of corporate governance. In addition, guided by this research, it is possible to improve the mechanism of corporate governance in order to increase efficiency of mergers and acquisitions in Europe. Furthermore, an empirical model with cumulative abnormal return calculation tend to explain the impact of board structure, the number of independent members and the tenure of chief executive officer on mergers and acquisitions performance.

JEL Classification

[C8](#), [G3](#), [G30](#), [G34](#), [M20](#)

Keywords

corporate governance, mergers and acquisitions, event study, agency theory, board of directors, abnormal return, estimation window

Title

Corporate Governance and M&A Effectiveness