The goal of this thesis is to create a program (Merge) for comparing and merging two or three versions of text files and directories. The thesis describes the program from both user's and programmer's points of view. The text includes introduction into the background of file comparing and merging, comparison of the Merge program with another existing merging tools, a brief description of the main functions of the Merge program and also description of design and implementation of the program including the algorithms of text and directory comparison.