

Why Do Mergers and Acquisitions Quite Often Fail?



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Abstract: *Corporate mergers and acquisitions (M&As) have become popular across the globe during the last two decades thanks to globalization, liberalization, technological developments and intensely competitive business environment. The synergistic gains from M&As may result from more efficient management, economies of scale, more profitable use of assets, exploitation of market power, and the use of complementary resources. Interestingly, the results of many empirical studies show that M&As fail to create value for the shareholders of acquirers. In this backdrop, the paper discusses the causes for the failure of M&As by drawing the results of the extant research.*

Keywords: Mergers, Acquisitions, Synergistic gains and shareholders value