

## **ABSTRACT**

*The object of this research is to know of factors that influence the policy of merger and acquisition (M&As) of companies on the Stock Exchange. Appraisal (valuation) of the company measured by Tobins'q and momentum return (MR), Four proxies used for Controls are cash flow, dividend payout, new debt (HB), and the issuance of new equity (PEB).*

*In this study the data used are secondary data, while the population in this research that companies that do or do not do policy strategy and M & As are listed on the Stock Exchange immersion period 2000 to 2009. Sampling methods used in this study was purposive sampling, in this study using the 88 companies, consisting of 44 companies that make M & As, and 44 companies that do not do M & As with the characteristics of the same business with companies doing M & As. Test analysis used in this study using logistic regression with the dependent variable and dummy companies that do not do M & As, and multiple regression with the dependent variable is performance company, two proxies used for performance company are operational performance and market performance (CAR).*

*The results of logistic regression test showed that the variables Tobins'Q, CF, and DP that significantly influence the decision of M & As, whereas the test results of multiple regression, only dummy variables (stock and cash) that affect the operational performance and market performance (CAR).*

*Key words: Mergers and Acquisitions, Corporate Performance, and CAR*