

# Mandatory General Offer And Its Impacts On Stock Price

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## ABSTRACT

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This research is conducted in the scene of Malaysia equities market-Bursa Malaysia. The main purpose of the research is to study the effect of mandatory General Offer announcement on the target firms' stock price, which covering the time period from January 2001 to December 2004. The other purpose is to investigate the effect of the information leakage and insider trading during the pre-announcement period for the target firms. The time period for the research that will be collected is from January of 2001 to December of 2004. The time period taken for each company which receives a MGO announcement, and the pre-announcement period is chosen 60 days before the announcement day. After the test, the researcher fined that the AR on the announcement day is 1.34%. Furthermore, during the pre-announcement period, there is a heavy insider trading and information leakage problem happen, this cause the target firms stock price increase, those indicate that the Bursa Malaysia is under the inefficiency stock market.