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# The Determinants of Cross-Border Acquisitions: Evidence from Romania

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## Abstract

*The cross-border mergers and acquisitions (M&As) are powerful strategies, used by companies, usually with financial resources, to search and acquire target companies that fulfill specific needs of the acquirers. The characteristics of the target companies and of the environment where they activate compose the determinants that lead to either a domestic or a cross-border M&A, suitable to generate synergy success and efficiency gains for the shareholders of the involved companies. Considering a sample of 60 acquisitions which involved at least one Romanian company in the position of the acquirer or the target, the authors considered the financial information of both companies as predictors for the stake that the acquiring company will buy in the target. Also, they considered the level of relatedness between the activities of the companies and the accounting practice of the target as factors with significant influence in this choice. The research results will show that the deal value paid, the productivity and the relatedness of the two companies significantly influence the stake purchased in the target company, but the accounting practice lead to a significant increase in the capacity of the proposed model to predict the variance of the final stake.*

**Keywords:** cross-border acquisitions, deal value, relatedness, target company, productivity

**JEL Classification:** F63, G34, M16

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