Neapolis University Pafos

# MERGERS AND ACQUISITIONS: PROSPECTS AND IMPACTS FOR ACCOUNTING/AUDIT FIRMS IN CYPRUS

By

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# MERGERS AND ACQUISITIONS: PROSPECTS AND IMPACTS FOR ACCOUNTING/AUDIT FIRMS IN CYPRUS

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Theodoros Christodoulides

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## ABSTRACT

The purpose of this research work is to examine whether there is a need and space for mergers and acquisitions regarding accounting/audit firms in Cyprus. The study analyzes the new economic environment and the stricter regulatory framework, in which audit firms operate, and how these factors affect the decisions for mergers and acquisitions. The impact of mergers and acquisitions upon the merged companies is also being examined.

In this dissertation, the research questions that were set were discussed quite effectively. The research that was done was adequate for answering the research questions that were preset. Any information irrelevant to the research questions was not discussed. The objectives that were set in this dissertation were accomplished, thus some conclusions were reached and some recommendations were given. The contribution of this work to the literature on M&As could be for the benefit of various groups that involved or interested in this specific professional services sector.

Research findings confirm that the economic environment, the stricter regulatory framework and the Regulatory Body, can affect decisions for mergers and acquisitions, but they are not the main and only factors that they could determine such decisions. Through the questionnaires survey and data from interviews, many other important factors are identified. In addition the impact of mergers and acquisitions upon the audit firms is also confirmed, in the research is proved that a possible M&A deal between accounting/audit firms would have a positive impact upon the merged companies. The small and medium firms through an M&A deal can be in a better position to compete the Big 4.

There are also some other important issues raised that should be noted, for example mergers and acquisitions between large firms in any sector always attract critical attention, because of fears about concentration and possible monopolistic behavior.