



Journal of the Operational Research Society >

Volume 48, 1997 - [Issue 7](#)

74 Views | 19 CrossRef citations to date | 3 Altmetric

Case-oriented Paper

# Prediction of Greek company takeovers via multivariate analysis of financial ratios

S H Zanakis & C Zopounidis

Pages 678-687 | Received 01 Oct 1995, Accepted 01 Jan 1997, Published online: 20 Dec 2017

Cite this article <https://doi.org/10.1057/palgrave.jors.2600401>

Sample our  
Economics, Finance,  
Business & Industry Journals  
>> [Sign in here](#) to start your access  
to the latest two volumes for 14 days

Citations

Metrics

Reprints & Permissions

[Read this article](#)

Share

## Abstract

This case study evaluates the financial features of Greek firms that were taken over during the period 1983–1990. A sample of acquired firms and a sample of equivalent non-acquired firms are considered with the objective of distinguishing between them, based upon their differences in sixteen financial characteristics 1–3 years prior to each takeover. Linear and quadratic discriminant analysis and logit models are developed with factor analysis input. Prediction results are mixed, mainly due to the similar financial ratio profiles between acquired and non-acquired firms. Most models classify correctly a significant proportion of acquired or non-acquired firms, but not both (with one exception). The only model that provides significantly correct predictions for both acquired and non-acquired firms in either the calibration or holdout sample is a linear discriminant function with six financial ratios (two from each of the three years prior to takeover). The reasons for these modelling difficulties are discussed.

Keywords:

Multivariate statistics

factor analysis

discriminant analysis

logit

regression

financial ratios

mergers

acquisitions

## Related research

People also read

Recommended articles

Cited by  
19

### Information for

Authors

R&D professionals

Editors

Librarians

Societies

### Opportunities

Reprints and e-prints

Advertising solutions

Accelerated publication

Corporate access solutions

### Open access

Overview

Open journals

Open Select

Dove Medical Press

F1000Research

### Help and information

Help and contact

Newsroom

All journals

Books

## Keep up to date

Register to receive personalised research and resources by email

 Sign me up



Copyright © 2026 Informa UK Limited [Privacy policy](#)

[Cookies](#) [Terms & conditions](#) [Accessibility](#)

 Taylor and Francis  
Group

Registered in England & Wales No. 01072954  
5 Howick Place | London | SW1P 1WG