

Testing market efficiency according to the ESOs

Employee Stock Options' influence on the company's stock can be significant. Therefor there are many conditions that should be taken into account in order to verify the expected impact of the ESO. The aim of the research is to suggest the methodology that would be useful on testing the influence of multiple events on the stock price. The research is divided into two sections. The first considers the clustering method of the analyzed events – in this case ESOs implementation and exercise. The second part of the paper examines the market efficiency according to the ESOs. The suggested methodology is later applied to the options implemented among polish companies.