

ABSTRACT

THE EXAMINATION OF SEMI-STRONG FORM MARKET EFFICIENCY TOWARDS STOCK SPLIT ANNOUNCEMENT IN THE INDONESIAN STOCK EXCHANGE 2012-2014 PERIOD

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The purpose of this research is to examine the semi-strong form of market efficiency towards stock split announcement in the Indonesian Stock Exchange 2012-2014 period. The data used is the abnormal return companies that make stock split announcements. The sample was taken by using of purposive sampling and there were 15 companies that meet the criteria. This research applies one sample t-test with the 7 days observatory period (event window), $t-3$ (three days before stock split announcement), t_0 (one day at the event date stock split announcement) and $t+3$ (three days after stock split announcement). The result of this research shows that there are information content in stock split announcement, this results was indicated by the negative and significance of abnormal return about 0,000 in the event date (t_0). The result of test speed market shows that market react quickly in stock split announcement, this result seen in the presence of significance abnormal return only occurred in one day, is one day at the event date. So that no investors who acquire the abnormal return in the long term. Based on those result, it can be concluded that capital market of Indonesia, which represented by Indonesian Stock Exchange have already semi-strong form efficiency market to the stock split announcement.

Key words: *Abnormal return, Semi-strong form market efficiency, Stock split*