

## ABSTRACT

### ANALYSIS ABNORMAL RETURN AND TRADING VOLUME ACTIVITIES (TVA) BEFORE AND AFTER STOCK SPLIT IN THE COMPANY IN INDONESIA OPEN PERIOD 2007-2008.

By

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Investors who invest in the stock market should be able to utilize all the information circulated to optimize the return that is earned .. The stock split (stock split) Corporate action merupakan one of the most important for investment decisions because the stock split announcement is the financial information for investors that will cause the stock market reacted to the announcement. Market reaction for this information can be seen from the abnormal return and trading volume of activities (TVA). If the stock split announcement generate positive abnormal return and significant and adalanya TVA and significantly increased the content of this announcement have informative (information contend) that gave positive signals to investors.

Issues raised in these studies is whether there are significant differences between the average abnormal return before and after the stock split during the period 2007-2008 and whether there are significant differences between the average trading volume of activities (TVA) before and after the stock split during period 2007-2008. The purpose of this study to determine the significance of average abnormal return and the average and trading volume of activities (TVA) before and after the stock split during the event period. For this purpose the study of events (event study). The hypothesis proposed is Ha1: there are differences in average abnormal return before and after the

stock split in the period 2007-2008 and Ha 2: there are significant differences in the volume of trading activities (TVA) before and after the stock split in the period 2007-2008. sample used is listed stocks that the stock-split in the period 2007-2008 who meet the assumptions of the authors proposed that produces 12 issuers with the observation period 30 days before and 30 days after the stock split.

By using the market adjusted model to calculate abnormal return, the aggregate results of this study at both  $\alpha = 0.05$  using the two different test average and regression with dummy variables, showed the same results that there were no significant differences in average abnormal return before and after the stock split and there is no average abnormal return is positive and significant. For the trading volume of activities (TVA) using two different test average and regression with dummy variables at  $\alpha = 0.05$ , show the result that there are significant differences in the volume of trading activities (TVA) before and after the stock split and a significant decline in trading volume of activities (TVA) after the stock split, so that the trading volume of activities (TVA) before the stock split is greater than the volume of trading activities (TVA) after the stock split. The results of this study reflect the stock split that the policy does not give a positive signal to investors. This is evident from the abnormal return is negative and not significant decrease in trading volume and significant activities to do after the stock split policy. Besides, from the results of the study indicate that the market has led to the semi strong form information efficiency as evidenced by the lack of a positive and significant AAR and also did not prove to Trading Range Thoery which states that a stock split (stock split) will improve the liquidity of stock trading.