

ABSTRACT

VARIABILITY OF DIFFERENCE BEFORE AND AFTER PROFIT SHARE DIVIDEND

ANNOUNCEMENT COMPANY STOCK EXCHANGE LISTING Indonesia

by

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The purpose of this study was to determine the market reaction on the announcement of dividend changes on stock gains rate variability. The market reaction to the dividend rate variability. This research includes the study event study that looked at the effect of a particular event and is cross-sectional, as it only took a sample of time and events at any given time. The population in this study are all publicly traded companies that declare dividends in 2007-2010. Samples taken are 6 companies go public which announced dividend increases and 9 companies with dividends down. Samples were taken by purposive sampling technique. This study used a 5-day window period before the date of the announcement and 5 days after the date of the dividend announcement. The calculation of the measurement variable is to compute Security Return Variability (SRV) and the analysis of the data using the normality test (Kolmogorov Smirnov One Sample) and a different test (paired sample t-test). The results of this study indicate that: (1) There is no difference Security Return Variability (SRV) in the days before the announcement of the dividend up to the days after the announcement of the dividend rises and H1 is rejected. Results of paired sample t-test to obtain values tcount -0078 rejected at the 5% significance level. Based on the calculation of descriptive statistics indicated the average value of the SRV after increasing dividend (6.0483) is only slightly higher than the SRV five days before the announcement of dividend increases (5.9083). (2) There were no differences Security Return Variability (SRV) in the days before the announcement of the dividend down to the days after the announcement of the dividend down and H2 is rejected. Results of paired sample t-test gain of 0.112 tcount rejected at the 5% significance level. Based on the calculation of descriptive statistics for the dividend drop test results indicated the average value dropped after the dividend announcement SRV (4.1972) is only slightly lower than the SRV in the days before the announcement of the dividend down (4.2864).

Keywords: security return variability (SRV), dividend increase, dividend down,