

ABSTRACT

ANALYSIS EFFECT OF DEBT RESTRUCTURING BY DEBT TO EQUITY SWAP TOWARD TRADING VOLUME ACTIVITY AND ABNORMAL RETURN ON PT BUMI RESOURCES Tbk.

By

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This research is done to to examine the content of the information through the debt restructuring by debt to equity swap that may be reflected from the market reaction occurred. Market reaction can be measured by abnormal return and trading volume activity.

This research is event study. Data interpretation technique in this research uses purposive sampling method. The data used are secondary data from one company that did debt restructuring through debt-to-equity swap, namely PT Bumi Resources Tbk. Hypothesis testing use paired sample t-test as analytical tools with the event window which total 20 days, $t = -10$ (10 days before debt restructuring) and $t = 10$ (10 days after debt restructuring). And estimation period which total 40 days, ie from $t-50$ to $t-10$ prior to the event date.

The results obtained by the analysis of the first hypothesis is there is a significant effect on the average of trading volume activity before debt restructuring and after debt restructuring. While the second hypothesis indicates that there is no significant effect on the average abnormal return before debt restructuring and after the debt restructuring. This means that there is a market reaction on trading

volume activity and there is no market reaction to the abnormal return caused by debt restructuring happened.

Key Words : *Debt Restructuring, Abnormal Return, Trading Volume Activity*