

ABSTRACT

ANALYSIS OF LIQUIDITY AND PERFORMANCE STOCK OF COMPANY BEFORE AND AFTER STOCK SPLIT

BY

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This study aimed to see differences in stock liquidity and the company's stock performance before and after stock split. The variables used in this study are stock liquidity that is proxied by stock trading volume and stock price volatility, and the company's stock performance that is proxied by the price earnings ratio (PER).

Samples of this study are manufacturing companies that are listed on the Indonesia Stock Exchange (BEI), which have done stock split with a period of study in 2007-2009. Based on purposive sampling method, total of study samples are 15 firms. The hypothesis in this study tested by Average Difference Test.

The study showed that : (1) stock liquidity that is proxied by stock trading volume is not significantly different before and after the stock split, (2) stock liquidity that is proxied by the volatility of the stock price is significantly different before and after the stock split, (3) while, the stock performance that is proxied by the price earnings ratio (PER) is not significantly different before and after the events after the stock split.

Keywords: stock liquidity, stock performance, stock trading volume, volatility of stock price, price earnings ratio (PER), stock split