

ABSTRACT

ANALYZE OF COMPARISON STOCK RETURN BEFORE AND AFTER CASH DIVIDEND ANNOUNCEMENT IN THE COMPANIES WHOSE REGISTERED IN LQ 45 IN 2010

By

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Information is one of the important things in capital market development. Various of information of company which is published for public, including dividend announcement. Investors' investment decision is depended by their own expectations of effort successful in the future. The investment which is done is the reaction of the information that they have accepted. Some of certain cases or situation, some of shareholders are willing to the higher dividend, so that it causes the lower of retained profits. It is caused by they who think that certain total that is accepted as dividend today is much more precious than capital gain which will be obtained in the future days.

The purpose of this research is to know whether there is any difference of abnormal return stock in the company that is registered in LQ 45 before and after announcement of cash dividend launched in 2010.

In this research, the object is stocks which do the increasing dividend announcement than last year and include of stock index LQ 45 in period February 2010 until July 2010. The analysis of method which is used in calculation analysis of expected return with market adjusted model. The result of the research says that there is no significant abnormal return difference before and after Cash Dividend Announcement in 2010. That result shows that the policy of cash dividend allocation does not give the content of the information to the investors. This thing is consort with Dividend Irrelevance Theory (Modigliani-Miller), this theory said that the policy of dividend does not have good influence to stock price nor capital cost, or can be concluded that actually dividend policy is not relevant.