

ABSTRACT

ANALYSIS OF ABNORMAL RETURN, TRADING VOLUME ACTIVITY, AND VOLATILITY BEFORE AND AFTER STOCK SPLIT STUDY ON INDEX LQ45 COMPANIES AT INDONESIA STOCK EXCHANGE

By:

Eva Dwi Gustiani

223402379

Guide I : Edy Suroso

Guide II : Andina Eka Mandasari

Stock split was a strategy used to lower the share price so that investor interest increases which leads to increased liquidity. Abnormal return, trading volume activity, and volatility are tools used to see the market response to stock split announcements. Thus, this study aims to determine the differences in abnormal return, trading volume activity, and volatility before and after stock splits in companies listed on the LQ45 index on the Indonesia Stock Exchange. The population in this study were companies listed on the LQ45 index on the Indonesia Stock Exchange that conducted a stock split for the 2019-2023 period. Sampling using purposive sampling method. From a population of 45 listed on the LQ45 index, 7 companies that meet the criteria become samples. The analysis method in this study used a paired t-test with observations 30 days before and after the stock split. The results of statistical analysis show that there were no differences between abnormal returns, trading volume activity, and volatility before and after stock splits. Thus, companies need to reconsider the implementation of a stock split, and investor must conduct in-depth analysis before investing. Then further research was needed with a wider sample.

Keywords: *Stock Split, Abnormal Return, Trading Volume Activity, Volatility*