EFFECT OF STOCK SPLIT ON STOCK RETURNS AND TRADING VOLUME ACTIVITY IN COMPANIES LISTED ON BEI

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ABSTRACT

This study aims to determine the effect of stock splits on stock returns and trading volume that occur in companies listed on BEI in the period 200-2011, with a sample of 33 companies. Observations of variables used in this study were stock return and trading volume.

This research was using comparative research method. Paired sample t-test was being used to test the first hypothesis and Wilcoxon signed rank test was being used to test second hypothesis.

The result will be show that (1) there is no significant differences on stock return before stock split and stock return after stock split, (2) there is no significant differences on trading volume activity before stock split and trading volume activity after stock split.

Key words : stock split, stock return, trading volume activity