

ANALISIS STOCK SPLIT TERHADAP *RETURN* SAHAM DAN VOLUME PERDAGANGAN SAHAM YANG TERDAFTAR DI BURSA EFEK INDONESIA

**Etty Sri Wahyuni, Yusuf Faisal, Faris Ramadhan, Tri Wildan Rosyadi Putra**

Department of Management, Faculty of Economics, Universitas Batam, Indonesia. Batam, 29415, Riau Island, Indonesia.

Department of Accounting, Faculty of Economics, Universitas Batam, Indonesia. Batam, 29415, Riau Island, Indonesia.

Department of Accounting, Sekolah Tinggi Ilmu Ekonomi Deli Sumatera, 20122, North Sumatera, Indonesia.

**Coresspondent:**

Faculty of Economics, University of Batam.

Email: [ettywahyuni@univbatam.ac.id](mailto:ettywahyuni@univbatam.ac.id).

**ABSTRACT**

*The function of the capital market is a place where buyers and sellers meet in buying shares. The level of risk or uncertainty faced in the world of capital markets must be embedded in all the investments offered, so the level of investment cannot only rely on profit. A Capital market that reacts quickly and accurately is an efficient market. The purpose of this study was to examine the role of the stock split on stock returns and stock trading volume. The research objects were 25 manufacturing companies that carried out a stock split in 2016. The data analysis technique used was the paired sample t-test. The results of the study did not have a significant effect on stock split announcements on stock returns. There is a significant effect of the announcement of the stock split on the volume of stock trading*

**Keywords:** *Stock Split, Return Saham, Volume*

**INTRODUCTION**

According to the function of finance in the world of the capital market, it is a source of funds or a provider of funds for capital market players in the implementation of investment in the capital market. The level of risk or uncertainty faced in the world of capital markets is definitely embedded in all investments offered, so the level of investment cannot only rely on profit. A market that reacts quickly and accurately is an efficient market. This information can be in the form of private information or published information. Information published is information published by the company (emiten) in the form of an announcement. The announcement will always reflect all events that occur within the company (corporate event). One

of the announcements that capital market players can take advantage of is the announcement of a stock split. Stock split activities will usually affect the number of stock outstanding or the price prevailing in the market.

A stock split is a form of action taken by the issuer to increase the number of stock, by breaking the existing stock into smaller fractions. This activity is usually carried out when the price is considered too high, which will reduce the ability of investors to buy it. Because they judge, if the stock price is too high, no investors will buy the stock. The stock price is a factor that makes investors invest their funds in the capital market because it reflects the rate of return on capital. several companies do stock splits for various purposes. With a lower price, it will produce a

higher return than the original price. For example, the price of a share before the stock split was Rp. 1,000 and after the stock split was Rp. 500 (with a 1: 2 split ratio). The stock split only changes the nominal or predetermined value and the number of shares outstanding, this event is not recorded in the journal entry. Although the accounts are not affected, details regarding the stock split are usually disclosed in the notes to the financial statements. Supposedly the price that occurs with the stock split is Rp. 500 but due to the market mechanism, the price formed is Rp. 600, so an increase in the stock price of Rp. 100 will increase the return for investors, therefore the stock split will be more attractive.

The formulation of the problems obtained from the phenomena in the field are as follows:

1. What is the role of a stock split in creating stock returns in companies listed on the Indonesian Stock Exchange?
2. What is the role of the stock split in creating the trading volume of companies listed on the Indonesian Stock Exchange?

## RESEARCH METHODOLOGY

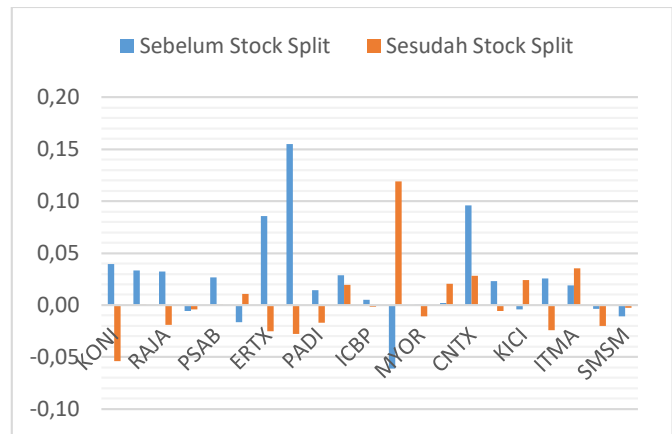
This research approach uses descriptive causal techniques with the aim of knowing the role of a variable in influencing other variables. The object of research is that manufacturing companies listed on the Indonesia Stock Exchange conducted a stock split during the 2016-2017 accounting period and announced a complete audited annual financial report as of December 31 before and after carrying out a stock split during 2016-2017. There are 25 manufacturing companies that meet the criteria. The data analysis technique used is the paired sample t-test with the SPSS tool.

## RESULT

### Descriptive analysis of variables

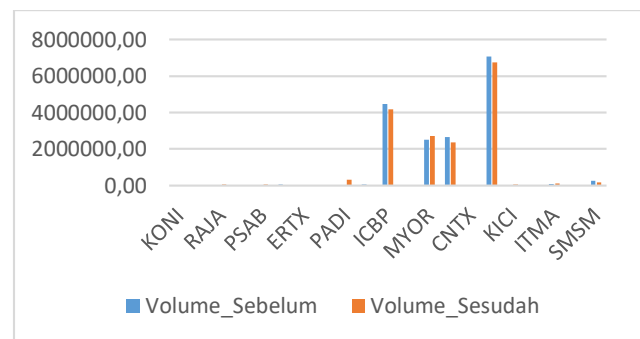
The results of the descriptive statistical value of the stock return variable and trading volume in manufacturing companies before and after carrying out the stock split can be seen as follows:

### Hasil Uji Paired T-Test



**Figure 1. Returns of Companies Conducting Stock Split**

There are 8 issuers whose return values have increased after the issuers conducted a stock split, while 13 issuers whose return values have decreased after the issuers conducted a stock split.



**Figure 2. Trading Volume of Companies Performing Stock Split**

The value of trading volume in companies, there are several emiten whose trading volume value has increased after the issuer has conducted a stock split, while other issuers have decreased trading volume value after the issuer has conducted a stock split.

Table 1. Correlation Test  
Paired Samples Correlations

		N	Correlation	Sig.
Pair 1	Return_Saham_Sebelum & Return_Saham_Sesudah	105	.016	.874

The average return before and after the stock split date has a correlation value between before and after the stock split on the stock return variable.

0.016 means that the relationship is weak and positive.

Table 2. Paired Sample Test Results  
Paired Samples Test

		Paired Differences				t	df	Sig. (2-tailed)	
		Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference				
					Lower				Upper
Pair 1	Return_Saham_Sebelum - Return_Saham_Sesudah	.0209896	.1213571	.0118432	-.0024960	.0444752	1.772	104	.079

The t-count value of stock returns was obtained at 1.772 with a significance of  $0.079 > \alpha = 5\%$  (0.05). This means that there is no difference between stock returns before and after the stock split. This answers the hypothesis previously described which states that there are differences in stock returns in companies listed on the Indonesia Stock Exchange before and after the Stock Split was rejected.

Table 3. Correlation Test  
Paired Samples Correlations

		N	Correlation	Sig.
Pair 1	Volume_Sebelum & Volume_Sesudah	105	.904	.000

The average trading volume before and after the stock split date has a correlation value of 0.904, which means that the relationship is strong and

positive. Meanwhile, the results of the Paired Sample Test are as follows:

Table 4. Paired Sample Test Results  
Paired Samples Test

	Paired Differences					t	df	Sig. (2-tailed)
	Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference				
				Lower	Upper			
Pa Volume_Sebelum ir - 1 Volume_Sesudah	1614 966.9 5	72620938.77	7087077.9 4	- 12438974.56 5	15668908.4 7	.228	104	.820

The t-count value of trading volume was obtained at 0.228 with a significance of  $0.820 > \alpha = 5\%$  (0.05). This means that there is no difference between the trading volume before and after the stock split. This answers the hypothesis previously described which states that there are differences in trading volume in companies listed on the Indonesia Stock Exchange before and after the Stock Split was rejected.

#### CONCLUSION

Based on the results of the difference test, the average return using the Paired Sample Test at an error rate of 5% ( $\alpha$ ) shows that the significant return value is greater than the  $\alpha$  value, namely  $0.079 > 0.05$ . Thus  $H_0$  is accepted and  $H_a$  is rejected, in other words there is no significant effect of the announcement of the stock split on stock returns. The results of this study are supported by research conducted by Savitri Melinda and Dwi Martani (2008) and I Gusti Ayu Mila (2010) which in their research states that there is no significant effect of stock split policy on returns and trading volume. The same thing was also stated by Wang Sutrisno et al (2000) who in his research stated that stock split did not have a significant effect on returns but had a significant effect on stock trading volume and stock prices.

The results of the average difference test using the Paired Sample Test at an error rate of 5% ( $\alpha$ ) indicate a significant value of trading volume is greater than the  $\alpha$  value, namely  $0.008 > 0.05$ , thus  $H_a$  is accepted and  $H_0$  is rejected, in other words there is a significant effect on the announcement of stock split to the trading volume of shares. Stock splits that do not have a significant effect on trading volume and returns indicate a factor

that makes people react differently from what the company expects through the stock split policy. Based on the results of the calculation of the average return and trading volume which has decreased after the stock split, it indicates the presence of information asymmetry. Information signaled to the public regarding the prospects and good performance of the company through stock splits is different from the reality.

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