Jurnal Multidisiplin Sahombu
E-ISSN : 2809-8587

Analysis Of The Influence Of Roa, Der, Per, Composite Stock Price Index And Company Size Against Initial Return (Case Study On Nonfinancial Companies Conducting Ipo In The Capital Market For The Period 2016-2021)

Andini Nurwulandari
Faculty of Economics and Business National University, Jakarta, Indonesia

ARTICLE INFO

Keywords:
ROA
DER
Initial Return

ABSTRACT

The study aims to analyze the Influence of Roa, Der, Per, Combined Stock Price Index and Company Size to find out how initial returns developed in 46 companies listed on the Capital Market in 2016-2021. The analysis method used is secondary data that is data obtained indirectly by researchers. The data source used in the research comes from the Indonesian Capital Market Electronic Library in the Capital Market. The results of this study explain that the absence of significant differences in stock returns in the period before and after the stock split can be interpreted that the stock split event does not bring information / signaling about future profits.

Email :
andinmanajemen@gmail.com

INTRODUCTION

The capital market is an indicator of the progress of a country's economy and supports the economy of the country concerned. Basically, the capital market has two functions, namely economic function and financial function. The function of capital market economy is to provide facilities to move funds from parties who have excess funds to parties who need funds. The financial function of the capital market is to provide funds needed by other parties without having to be directly involved in the company's operating activities (Husnan, 2006).

For companies that have developed rapidly and need large funds for an expansion of the business plan, the expansion will require funds that are not small and sometimes the needs of these funds cannot be met by relying only on the internal part of the company because of limitations, then the company tries to meet its capital needs by raising funds from the community through offering a letter of ownership or bonds (bonds) to the community. (Benny, 2007).

The process of offering part of the company's shares to the public for the first time through the Capital Market is called Initial Public Offerings (IPO). The company that conducts the IPO means that the company has gone public, so the company can raise a fund from a relatively large community. The funds obtained can be used for funding purposes, financing the company's operating activities, expansion, and improving the company's capital structure (Benny, 2007).

An IPO is an event where for the first time a company sells or offers its shares to the public (public) in the capital market. An initial public offering (IPO) or going public is one alternative source of funding through increasing the company's equity by offering shares to the public. Law No. 8 of 1995 on Capital Markets defines public offerings as securities offering activities carried out by issuers to sell securities to the public based on the procedures stipulated in the laws and regulations of its implementation.

The main reason a company becomes a public company by selling shares in the capital market is the encouragement of the need for capital used to support its operational activities. In individual companies, usually the owner of capital consists of only a few investors / owners. The addition of funds by new investors will not necessarily increase the liquidity of direct ownership. In development, if the company becomes larger and increasingly needs additional capital to meet its operational improvements, then selling shares is one option. But the decision to ipo is a complex decision, because it will cause new losses and costs, so it will certainly affect the company's financial performance (Gumanti, 2002; Midiastuti and Ilyas, 2005).

When a company conducts an IPO (Initial Public Offering), investors generally have limited information, which contains details of information about the issuer's public offering in the form of both financial and non-financial information. This information will help investors to make rational decisions about the risk and value of the actual stock that the issuer offers whether the value of the stock is overpricing or underpricing. Underpricing is more often researched because in this condition investors are more likely to invest in order to have the opportunity to get a positive initial return.

Return on Assets (ROA) is one of the profability, which is a ratio that shows how effectively the company operates so as to generate profits or profits for the company. ROA is used to determine the effectiveness of the company in making profits by utilizing its assets (Benny, 2007). Higher ROA values will show that the company is able to generate profits in the future and profit is important information for investors as a consideration in investing their capital. The high profitability of a company will reduce uncertainty for investors so that it will lower the underpricing rate. With the ability of issuers to generate high profits on their assets, the risks that investors will face will be smaller. Research conducted by Trisnawati (2000) states that ROA has no significant effect on initial return. Ardiansyah (2004), Andhy (2009), Natarsyah (2004), Hardiningsih (2002), and Tifani (2011) stated similarly in the research that the larger the ROA, the smaller the initial return received by investors. As for research from Gumanti, Midiastuti and Ilyas (2002) (in Sri Retno 2011) showing different results, this study states that ROA has a positive significant effect.

Debt to Equty Ratio (DER) is one of the leverage ratios, also better known as financial leverage. This ratio is useful for knowing the amount of funds that the borrower (creditor) provides with the owner of the company. DER indicates the balance between the level of leverage (the use of debt) versus the company's own capital. DER also provides assurance about how much the company's debts are guaranteed by the company's own capital which is used as business funding. The higher the value of DER indicates the business capital structure more utilizing debt relative to equity. A high DER reflects relatively high corporate risk, as a result of which investors tend to avoid stocks that have a high DER value. The higher the debt, the higher the DER, because a high DER will increase investor uncertainty and will increase initial return or underpricing, so the possibility of initial return that investors will receive is greater. Thus it is suspected that the higher the DER value of a company, the greater the initial return. The results of this study are inconsistent with research conducted by Durukan (2002) which states that the

Debt Equty Ratio variable has no significant effect on initial return. Compared to the above research, research conducted by Ardiansyah (2004) states that DER has a significant effect on initial returns.

The Composite Stock Price Index (JCI) is a trading indicator in stocks that is compiled with one particular formula that takes place in the Capital Market. Market conditions are outside factors that can affect the occurrence of underpricing. If the JCI is high then the lower the initial return, because the higher the JCI the lower the initial return obtained by investors, the higher the JCI can reduce the underpricing rate in companies that make IPOs. Thus, the high low JCI can affect investors' decisions to invest. Sukirman (2011) in his research stated that JCI has a negative effect on underpricing and will reduce initial returns.

This study used financial information, namely Return On Asset (ROA), Debt to Equty Ratio (DER), Price Earning Ratio (PER), Composite Stock Price Index (JCI), and non-financial information, namely Company Size.

Methods of analysis used using secondary data are data obtained indirectly by researchers. The data source used in the research comes from the Indonesian Capital Market Electronic Library in The Capital Market, www.yahoofinance.com, www.bi.go.id, www.bloomberg.com and the literature related to stock split research.

The data analysis conducted in this study uses event study analysis techniques that aim to analyze differences in stock prices, stock liquidity, and stock abnormal returns in the period before and after the stock split.

The window used in the study was a ten-day period before (T-10 to T-1) a stock split and ten days after a stock split (T+1 to T+10). The window is used because it can show there are differences in stock prices, stock trading liquidity, and abnormal stock returns due to stock splits.

METHOD

The hypothesis proposed is as follows:

1. Return on assets is a measure of a company's ability to generate profits (profits) using the total assets (wealth) owned by the company and is one of the ratios that measure the level of profitability to the efficiency of using company assets. The issuer company that produces a high profit on all its assets, will offer its shares at the time of ipo at a high price, in other words the issuer will anticipate the level of underpricing, so it will be able to reduce the initial return obtained by investors. This shows that ROA has a negative effect on initial returns. Empirical evidence about the influence or relationship of ROA on initial return shows a negative influence on initial return seen from the results of research Stella (2009), Gerinta Wirawan Yasa (2008), Trisnawati, Rina (2000).
   H1: Return on Assets (ROA) negatively affects Initial Return
2. DER reflects the company's ability to fulfill all its obligations indicated by some part of its own capital used to pay debts. DER indicates the balance between the level of leverage (the use of debt) versus its own capital for the company. A high DER value will increase investor uncertainty and will increase the underpricing rate. Thus, the greater the der value of a company, the greater the initial return. Debt to Equty Ratio (DER) has a positive influence on initial returns. The higher the DER reflects the company's relatively high risk, the high DER

value will increase investor uncertainty and will increase initial returns or underpricing. So that the initial return received by investors will be even greater. Thus it is suspected that the greater the der value of a company, the greater the initial return. This is in accordance with the results of research (Ardiansyah, 2004), stating that DER has a positive effect on initial return.

H2: Debt to Equti Ratio (DER) has a positive effect on Initial Return

3. Price earning ratio describes the market's appreciation of the company's ability to make a profit. Investors in general only take the Price Earning Ratio as a comparison, companies that do IPOs with a low PER will be in demand by investors, because the Price earning ratio describes a cheaper market appreciation, The higher the PER means the lower the initial return because it lowers the underpricing rate. Empirical evidence that PER negatively affects initial return can be seen from the research of Fakhrudin (2006) and Darmadji (2006).
   H3: Price Earning Ratio (PER) negatively affects Initial Return.
4. JCI is a movement of stock prices that are recorded in general in the Capital Market. JCI shows references about the development of activities in the capital market. Market conditions are outside factors that can affect the occurrence of underpricing. Market conditions are capital market conditions. If JCI is high, the lower the initial return. Thus, a high JCI can influence an investor's decision to invest. Because high JCI can reduce the level of underpricing, so the initial return received by investors will be lower. The results of Izzati Amperaningrum's research in Sukirman (2011) in his research stated that ISHG has a negative and significant effect on initial return.
   H4: Composite Stock Price Index (JCI) negatively affects Initial Return.
5. The size of the Company can be used as a mirror of the level of uncertainty of the stock. Large-scale companies tend to be better known to the public so that information about the prospects of large-scale companies is easier for investors to obtain than small-scale companies. With the low level of uncertainty of large-scale companies, it will reduce the level of underpricing and initial return that will be received by investors, evidenced by research by Durukan (2002), Yolana (2005) and Sri Retno (2011) which states that the size of the company has a negative effect on initial returns. because the larger the size of the company, the smaller the underpricing.
   H5: Company size negatively affects Initial Return.

RESULTS AND DISCUSSIONS

The company studied is a company registered in the Capital Market and conducts a corporate action policy for the 2016-2021 period as many as 46 companies with various business fields and industries The name of the company is in the following table:

Table 1. Names – Names of Companies Listed on the Capital Market

COMPANY NAME	BUSINESS FIELD
PT. Nippon Indosari Corpindo Tbk.	manufacturing, sales and distribution of bread
PT. Nipress Tbk.	accu industry

PT Modernland Realty Tbk	Property development
PT Sarana Menara Nusantara Tbk	tower and transmitter rental
PT Japfa Comfeed Indonesia Tbk	animal foodstuffs containing vegetable oils.
PT Jaya Konstruksi Manggala Pratama Tbk	infrastructure work and building construction work
PT. Tbk Brick Shoes	Shoe
PT Telekomunikasi Indonesia, Tbk	information and communication companies and service providers and telecommunication networks
PT. Jaya Real Property Tbk	residential and commercial
PT. SOURCE Alfaria Trijaya Tbk	trade and distribution
PT. INDOMOBIL International Success Tbk	trade in motor vehicle parts
PT. Astra Internasional Tbk	trade in motor vehicle parts.
PT Hero Supermarket Tbk	retail
PT Pakuwon Jati Tbk	entrepreneurship
PT Petrosea Tbk	engineering, construction, mining and other services
PT Pool Asuransi Indonesia Tbk	consulting and investment development
PT Metro Supermarket Realty Tbk	real estate and funiture trading as well as real estate development efforts
PT. Jasuindo Tiga Perkasa Tbk	general printing, especially printing commercial documents
PT Capitalinc Investment Tbk	general trade, transportation and services
PT Surya Semesta Internusa Tbk	property, construction services and infrastructure and hospitality
PT Astra Otoparts Tbk	trade in motor vehicle parts.
PT Malindo Feedmill Tbk	production and distribution of animal feed
PT. Pan Brothers Tbk	textile industry
PT Intraco Penta Tbk	trading and leasing of heavy equipment and spare parts
PT Bank Tabungan Pensiun Nasional Tbk	commercial banks
PT Perusahaan Perkebunan London Sumatra Indonesia Tbk	palm oil and rubber, as well as cocoa, tea and seeds
PT Bank Rakyat Indonesia (Persero) Tbk	Banking
PT Charoen Pokphand Indonesia Tbk	trade in animal feed, livestock equipment and chicken meat processing
PT Darya-Varia Laboratoria Tbk	manufacturing, trade, service and distribution of pharmaceutical products
PT Intiland Development Tbk	property development, management and investment
PT. Tunas Ridean Tbk	Vehicle providers in Indonesia
PT Ciputra Development Tbk	planning, manufacture and maintenance of

	housing facilities
PT Kurnia Kapuas Utama Tbk	coal mining
PT Arwana Citramulia Tbk	ceramic industry
PT. Citra Tubindo Tbk	oil and gas drilling
PT Island Concepts Indonesia Tbk	catering services and urban facility maintenance services
PT. Tbk Tin Mine (Persero).	mining, industry, trade, transportation and services
PT Berlina Tbk	plastic packaging
PT Perusahaan Gas Negara (Persero) Tbk	Gas
PT Mitra Rajasa Tbk	supporting services for oil, gas and geothermal production
PT Daeyu Orchid Indonesia Tbk	services, mining, trade and development
PT Suryainti Permata Tbk	property developer
PT Panorama Sentrawisata Tbk	Tourism consultant services
PT Bank Central Asia Tbk	Banking
PT Panin Sekuritas Tbk	securities trading intermediary services and securities underwriters
PT International Nickel Indonesia Tbk	exploration and mining, processing, storage, transportation and marketing of nickel

Source: Secondary data processed

Table 2 below is an overview of the companies that are the object of research. The companies in the study were grouped by the type of company and equipped with a percentage of the total companies that broke the shares.

Table 2. Overview of Sample Companies That Conducted Stock Splits For The Period 2016-2021

No	Company Type	Sum	Percentage
1	Agriculture	1	2,17%
2	Mining	5	10,87%
3	Basic Industry and Chemistry	7	15,22%
4	Various Industries	6	13,04%
5	Consumer Goods Industry	2	4,35%
6	Property and Real Estate	9	19,57%
7	Infrastructure, Utilities, and Transportation	4	8,70%
8	Finance	5	10,87%
9	Trade, Services, and Investment	7	15,22%
	Total	46	100%

From table 2, it can be concluded that the types of companies that do the most stock splits during the observation period of 2016 to 2021 are companies incorporated in the Property and Real Estate sectors, followed by the Basic and Chemical Industries sectors, the Trade, Services, and Investment sectors, Various Industries Sectors, Mining sectors, Finance sectors, Infrastructure sectors, Utilities, and Transportation, Consumer Goods Industry sector , and finally agriculture sector.

Fluctuations in the IDR to USD rate during the period 1997 - 2002 (during the crisis) have experienced the most severe periods after the previous monetary turmoil in 1966.

Relative Stock Price Data Analysis

Based on the stock price data of each company that conducts corporate action policy (corporate action) for the 2016-2021 period as long as ten days before to ten days after the stock split, the amount of the relative stock price of the company's shares before the announcement of the stock split can be obtained using the following formula:

$$\mathrm{HR} = \frac{\mathrm{P}}{\frac{\mathrm{N_t}}{\mathrm{N_{t+1}}}}$$

While the variable stock market price relative after the stock split can be obtained based on the stock price after the stock split. Based on data on the calculation of relative stock market prices for ten days before to ten days after the stock split, the following table shows the average relative stock market price before and after the announcement of the stock split;

Table 3. Average Of Relative Stock Prices Before and After Stock Splits in Companies That Do Stock Splits in 2021

No	Code	Company Name	Before (-10 Days)	After (+10 Days)	Percentage Increase (Decrease)	Information
1	BREAD	PT. Nippon Indosari Corpindo Tbk.	990	1110	12.1%	UP
2	MDLN	PT Modernland Realty Tbk.	400	401	0.1%	UP
3	JKON	PT. Jaya Konstruksi Manggala Pratama Tbk.	480	534	11.4%	UP
4	BRICK	PT. Tbk Bata Shoes.	850	1257	47.9%	UP
5	AMRT	PT. SOURCE Alfaria Trijaya Tbk.	632	647	2.4%	UP
6	TOWR	PT. Sarana Menara Nusantara Tbk.	2768	2870	3.7%	UP
7	JPFA	PT. Japfa Comfeed Indonesia Tbk.	1827	1919	5.03%	UP
8	NIPS	PT. Nipress Tbk.	404	368	(8.9%)	Go down
9	TLKM	PT. Telecommunications Indonesia Tbk.	2186	2131	(2.5%)	Go down
10	JRPT	PT. Jaya Real Property Tbk.	998	981	(1.7%)	Go down
11	ARNA	PT. Arwana Citramulia Tbk.	797	775	(2.7%)	Go down
	Total stocks that have increased		7947	8738	11.8%	
	Average		1135	1248		UP

Standard deviation	863	884		
Total declining shares	4385	4255		
Average	1096	1064	(3.95%)	Go down
Standard deviation	767	756		
Total Keseluruhan	12331	12993		
Average	1121	1181	6.08%	UP
Standard deviation	790	806		

Based on table 3, it can be seen that the average total relative share price before and after the stock split in stocks that increased was Rp. 7947 and Rp. 8738. While the average value of the relative stock price before and after the stock split in stocks that have increased is Rp. 1135 and Rp. 1248 and the standard deviation value of the stock price relative before and after the stock split is 863 and 884.

Based on table 3, it can also be seen that the total average relative share price before and after the stock split in the declining shares is Rp. 4385 and Rp. 4255. While the average value of the relative stock price before and after the stock split in the declining stock is Rp. 1096 and Rp. 1064 and the standard deviation value of the relative stock price before and after the stock split is 767 and 756.

Based on table 3, it can also be seen that the total average relative share price before and after the stock split is Rp. 12331 and Rp. 12993. While the average value of the relative stock price before and after the stock split is Rp. 1121 and Rp. 1181 and the standard deviation value of the relative stock price before and after the stock split is 790 and 806.

Stock Liquidity Data Analysis

Before testing the stock liquidity hypothesis, it is necessary to analyze the stock trading volume data obtained from data collection. The analysis was conducted by comparing the trading volume of stocks in the period before and after the stock split, the period of which is ten days before the stock split and ten days after the stock split in companies that broke up the shares from 2016-2021. The results of the data analysis are as follows:

Table 4. Average Stock Trading Volume Before and After Stock Split In Companies That Break Up Shares in 2021

No	Code	Company Name	Trading Volume	
			Before	After
1	ROTI	PT. Nippon Indosari Corpindo Tbk.	794000	5607500
2	NIPS	PT. Nipress Tbk.	40900	5040350
3	MDLN	PT. Modernland Realty Tbk.	19138500	15557200
4	JKON	PT. Jaya Konstruksi Manggala Pratama Tbk.	1999500	1353000
5	BATA	PT. Sepatu Bata Tbk.	50000	580950
6	TLKM	PT. Telekomunikasi Indonesia Tbk.	129972000	134670150
7	JRPT	PT. Jaya Real Property Tbk.	161750	72750
8	AMRT	PT. Sumber Alfaria Trijaya Tbk.	4435000	196300

9	TOWR	PT. Sarana Menara Nusantara Tbk.	740500	119500
10	ARNA	PT. Arwana Citramulia Tbk.	12193200	7112500
11	JPFA	PT. Japfa Comfeed Indonesia Tbk.	4430250	3903300

Table 4 shows that the average company that had the highest average stock trading volume before the stock split was PT. Telecommunications Indonesia Tbk. is as large as 129972000. The highest average stock trading volume after the stock split is also PT. Telecommunications Indonesia Tbk. is as large as 134670150. The average company that has decreased after breaking shares there are 7 companies, namely PT. Modernland Realty Tbk., PT. Jaya Konstruksi Manggala Pratama Tbk., PT. Jaya Real Property Tbk., PT. SOURCE Alfaria Trijaya Tbk., PT. Sarana Menara Nusantara Tbk. PT. Awana Citramulia Tbk., and PT. Japfa Comfeed Indonesia Tbk.

Stock Abnormal Return Data Analysis

Before testing the abnormal return hypothesis of shares, it is necessary to analyze the abnormal data of stock return obtained from data collection. Calculations for abnormal returns can be obtained from the difference between actual return and expected return. Abnormal return calculation results before and after the stock split. Based on abnormal return calculation data, the analysis is carried out by comparing abnormal returns of stocks in the period before and after the stock split, the period is ten days before the stock split and ten days after the stock split in companies that broke stocks from 2016-2021. The results of the data analysis are as follows:

Table 5 Average Abnormal Returns of Stocks Before and After Stock Splits In Companies That Break Up Shares in 2021

No	Code	Company Name	Abnormal Return of Shares	
			Before	After
1	ROTI	PT. Nippon Indosari Corpindo Tbk.	-0,01162	0,00910
2	NIPS	PT. Nipress Tbk.	-0,00019	-0,00245
3	MDLN	PT Modernland Realty Tbk.	0,00477	0,00384
4	JKON	PT. Jaya Konstruksi Manggala Pratama Tbk.	0,02013	0,01138
5	BATA	PT. Sepatu Bata Tbk.	0,00008	0,00761
6	TLKM	PT. Telekomunikasi Indonesia Tbk.	0,00158	-0,00428
7	JRPT	PT. Jaya Real Property Tbk.	0,00569	0,00491
8	AMRT	PT. Sumber Alfaria Trijaya Tbk.	0,00032	-0,00135
9	TOWR	PT. Sarana Menara Nusantara Tbk.	0,00008	-0,00029
10	ARNA	PT. Arwana Citramulia Tbk.	0,00770	-0,01431
11	JPFA	PT. Japfa Comfeed Indonesia Tbk.	-0,00142	-0,00692

Table 5 shows that the company that has the highest abnormal average stock return before breaking up the stock is PT. Jaya Konstruksi Manggala Pratama Tbk. Amounted to 0.02013. The average abnormal return of the company's highest shares after the stock split is also PT. Jaya Konstruksi Manggala Pratama Tbk. Amounted to 0.01138. The average abnormal return of the company's lowest stock before doing a stock split is PT. PT. Nippon Indosari Tbk. Is -0.01162, and the company's lowest stock abnormal return after the stock split is PT. PT. Arowana Citramulia Tbk. Amounted to -0.01431.

Hypothesis Testing

Before testing, the hypothesis is determined as follows.:
If the significance value of < 0.05 then Ha is accepted or Ho is rejected.
If the significance value of > 0.05 then Ha is rejected or Ho is accepted.

1. The First Hypothesis.

The first hypothesis in the study states that there are differences in stock prices before and after the stock split. To test this hypothesis, the data used is the average relative price of shares in companies that conducted stock splits from 2016-2021. The calculation of the average relative stock price before the announcement of the stock split is obtained from the sum of the average relative stock price before the split of the stock t-10 to t-1 divided n, while the average relative stock price after the stock split is obtained from the sum of the average relative stock price at t +1 to t +10. After knowing the average relative stock price before and after the stock split, then a paired test (Paired Sample T-Test) is carried out. The results of the paired sample T-Test of the relative stock price before and after the stock split in companies that conducted the stock split in 2016-2021 can be seen in the following in table 6 below:

Table 6 Average Paired Sample T-Test Results (Paired Sample T-Test) Relative Stock Prices Before and After Stock Split 2016-2021

No	Year	N	Before	After	Difference	Test Results		Information
						t-Count	Sig.	
1	2021	11	1121	1181	60	-13.246	0.000	Significant
2	2020	6	3676	4079	403	-7.001	0.000	Significant
3	2019	11	1513	1588	75	-6.892	0.000	Significant
4	2018	6	819	895	76	-16.187	0.000	Significant
5	2017	2	1934	1498	-436	8.500	0.000	Significant
6	2016	11	1965	1810	-155	6.950	0.000	Significant
Sum		47	1732	1771	38	-3.024	0.014	Significant

In table 6 of the average paired test results of relative stock prices in the period before and after the stock split in 2021 consisting of 11 companies that conducted a stock split obtained a calculated value of -13,246 and a significance of 0.000, it can be seen that sig. 0.000 < of the significance level of 0.05. It can be concluded that Ha was accepted and Ho was rejected or there was a difference in stock price before and after the stock split in the company that broke the shares in 2021.

The results of the test paired the average stock price relative to the company that conducted the stock split in 2016-2021 consisting of 47 companies that broke the stock obtained a value of -3,204 and a significance of 0.014. On table 6 it can be seen that sig. 0.000 < of the significance level of 0.05. It can be concluded that Ha was accepted and Ho was rejected or there was a difference in stock price before and after the stock split in the company that split the shares in 2016-2021.

2. Second Hypothesis

The second hypothesis in this study states that there are differences in stock liquidity before and after the stock split. To test this hypothesis, the data used is the average trading volume of shares in companies that conducted stock splits from 2016-2021. The calculation of the average stock price before the announcement of the stock split is obtained from the sum of the average trading volume of the stock before the stock split t-10 to t-1 divided by n, while the average stock price after the stock split is obtained from the sum of the average trading volume of the stock at t +1 to t +10. After knowing the average trading volume of stocks before and after the stock split, then a paired test (Paired Sample T-Test) is carried out. The results of the paired sample T-Test of stock trading volume before and after the stock split in companies that conducted stock splits in 2016-2021 can be seen in table 7 below:

Table 7 Average Paired Sample T-Test Results Of Stock Trading Volume Before and After Stock Split 2016-2021

No	Year	N	Before	After	Difference	Test Results		Information
						t-Count	Sig.	
1	2021	11	15814145	15837591	23445	-0,010	0,992	No Significant
2	2020	6	14199417	10287683	-3911733	2,031	0,073	No Significant
3	2019	11	12084300	12143475	59175	-0,027	0,979	No Significant
4	2018	6	15607575	16265300	657725	-0,120	0,907	No Significant
5	2017	2	3929800	5547800	1618000	-0,811	0,483	No Significant
6	2016	11	10681895	11971482	1289586	-0,575	0,580	No Significant
	Sum	47	13902779	13785581	-117198	0,117	0,909	No Significant

In table 7, the test results paired stock trading volume in the period before and after the stock split in 2021 consisting of 11 companies that conducted a stock split obtained a t calculated value of -0.010 and significance of 0.992. On table 7 it can be seen that sig. 0.992 > of the significance level of 0.05. It can be concluded that Ha was rejected and Ho accepted or there was no difference in stock trading volume before and after the stock split in the company that broke the shares in 2021.

From the test results, it is different from the paired testing of stock trading volume in the period before and after the stock split of all companies that broke up the shares in 2016-2021 obtained a t-count value of 0.117 and a significance of 0.909. In table 7 it can be seen that sig. 0.9090 > of the significance level of 0.05. It can be concluded that Ha was rejected and Ho accepted or there was no difference in the trading volume of shares before and after the stock split of the entire company that split the shares in 2016-2021.

The absence of significant differences from stock trading volume in the period before and after the stock split can be interpreted that the stock split event does not make the stock liquidity of the company issuing the stock split policy increase.

3. Third Hypothesis

The third hypothesis in this study states that there are abnormal differences in stock returns before and after the stock split. To test this hypothesis, the data used is the average abnormal return of shares in companies that conducted stock splits from 2016-2021. The calculation of the average abnormal return of the stock before the announcement of the stock split is obtained from the sum of the average abnormal return of the stock before the stock split t-1 to t-1 divided n, while the average abnormal return after the stock split is obtained from the sum of the average stock price at t + 1 to t + 10 After it is known that the abnormal return of the stock before and after the stock split, then a paired test (Paired Sample T-Test) is carried out. The results of the paired sample T-Test abnormal return of shares before and after the stock split in companies that conducted stock splits in 2016-2021 can be seen in the following table 8.

Table 8 Average Paired Sample T-Test Results Abnormal Stock Return Before and After Stock Split 2016-2021

No	Year	N	Before	After	Difference	Test Results		Information
						t-Count	Sig.	
1	2021	11	0,00247	0,00066	-0,00181	0,389	0,707	Tidak Signifikan
2	2020	6	0,01401	-0,00137	-0,01538	1,113	0,295	Tidak Signifikan
3	2019	11	-0,00080	-0,00163	-0,00083	0,236	0,818	Tidak Signifikan
4	2018	6	0,00545	0,00507	-0,00038	0,063	0,951	Tidak Signifikan
5	2017	2	0,00066	-0,01007	-0,01073	0,806	0,441	Tidak Signifikan
6	2016	11	0,00176	-0,00094	-0,00270	0,499	0,630	Tidak Signifikan
	Sum	47	0,00331	-0,00040	-0,00372	1,513	0,137	Tidak Signifikan

In table 8 of the results of testing abnormal pairs of stock returns in the period before and after the stock split in 2021 consisting of 11 companies that conducted a stock split obtained a calculation of 0.389 and a significance of 0.706, it can be seen that sig. 0.706 > of the significance level of 0.05. It can be concluded that Ha was rejected and Ho accepted or there was no abnormal difference in stock return before and after the stock split in the company that broke the shares in 2021.

From the test results different from testing abnormal pairs of stock returns in the period before and after the stock split of the entire company that conducted a stock split in 2016-2021, it was calculated at 1.513 and a significance of 0.137. In table 8 it can be seen that sig. 0.137 > of the significance level of 0.05. It can be concluded that Ha was rejected and Ho accepted or there was no abnormal difference in stock return before and after the stock split of the entire company that split the shares in 2016-2021.

The absence of abnormal differences in significant stock returns in the period before and after the stock split can be interpreted that the stock split event does not carry the content of information / signaling about future profits.

CONCLUSION

This study aims to analyze whether the stock split is consistent with signalling theory, namely the stock split causes the stock price to increase in the stock price and there is a new stock price balance, so that the stock becomes higher compared to before the stock split and stock split brings good future prospect information content, namely with the abnormal return of shares around the announcement of the stock split.

In addition, this study also aims to analyze whether the stock split is consistent with liquidity theory which states that by breaking up shares, stocks will become more liquid after the announcement of the stock split so that more investors will be able to transact or there will be an increase in trading volume. Based on the analysis carried out, it can be concluded as follows:

Based on the results of the test is different from the paired test (paired sample t test) against the average relative share price of the entire company that broke the shares in 2016-2021 consisting of 47 companies obtained a value of -3,204 and a significance of 0.014 The results show that in the event consistent with signalling theory that states the stock split caused the stock price to increase the stock price and there is a balance. new stock prices, so the stock becomes higher than before the stock split and stock split.

Based on the results of the test is different from the paired test (paired sample t test) on the trading volume of the overall stock of the company that conducted a stock split in 2016-2021, the value of t calculated is 0.117 and a significance of 0.909 This result is inconsistent with liquidity theory which states that the stock split event will lead to increased trading volume or increased stock liquidity. These results indicate that the stock split event did not result in the trading volume changing significantly after the stock split.

Based on the results of the test is different from the paired test (paired sample t test) against the abnormal return of the relative shares of all companies that broke up the shares in 2016-2021, the value of t calculated is 1.513 and a significance of 0.137. The results of this study are inconsistent with the signalling theory that managers have good information about the condition of the company, which is indicated by the presence of positive abnormal returns around the announcement of stock splits. The results that depart from signalling theory this proves that the stock split event does not result in significant abnormal returns after the announcement of the stock split.

REFERENCES

Arini, 2011, Pengaruh Informasi Akuntansi dan Non Akuntansi terhadap Initial Return Pada Perusahaan Non Keuangan yang Melakukan IPO di BEI, Universitas Lampung, Bandar Lampung.

Anoraga, P. 2006. Pengantar Pasar Modal. Jakarta: Ghalia Indonesia, Cipta

Chandradewi, Susanna, 2001, “Pengaruh Variabel Keuangan Terhadap Penentuan Harga Pasar Saham Perusahaan Sesudah Penawaran Umum Perdana” Prospektif.

Durukan, M Banu, 2002 "The relationship between IPO return and factor influencing IPO performance : case of Istambul stock Exchange "Managerial Finance; vol .28, No. 2.
Desni Mariani Oetaman, Rere, 2012, Analisis Kinerja Saham pada Perusahan yang telah melakukan IPO pada Bursa Efek Indinesia periode 2008-2010, Unika Mandira, Kupang.
Fakhruddin, H.M. 2008. Strategi Pendanaan dan Peningkatan Nilai Perusahaan. PT. Exelmedia Komputindo, Jakarta
Gumanti, 2004, value relevan of accounting information and the pricing of Indonesia IPO, symposium nasional Akuntansi VII, IAI, December.
Ghozali, Imam, 2009, Aplikasi Analisis Multivariate dengan Program SPSS, Badan Penerbit UNDIP, Semarang.
Ghozali, Imam dan Mudrik Al Mansur, 2002, "Analisis Faktor-faktor yang mempengaruhi Tingkat Underpriced di Bursa Efek Jakarta", Jurnal Bisnis dan Akuntansi.
Gerinta Wirawan Yasa, (2008), Penyebab Underpricing pada Penawaran Saham Perdana di Bursa Efek Jakarta, Universitas Udayana.
Hanafi, MM, 2007, Manajemen Keuangan, BPFE, Yogyakarta.
Harahap, S.H. 2009. Analisis Kritis Laporan Keuangan. Edisi Kedelapan, Jakarta : Rajawali.
Hamka, Aliyah, 2012, Analisis Pengaruh Laporan Keuangan terhadap Return Perusahaan, Universitas Muhammadiyah; Jakarta.
Horne, James C, Van dan Wachowicz, Jhon M. 2005, Prinsip-prinsip manajemen keuangan, Salemba Empat, Jakarta.
Husnan, Suad, 2003, Dasar-dasar Teori Portofolio dan Analisis Sekuritas, edisi 3, AMP YKPN, Yogyakarta.
Indrianto Setiawan, 2007, Analisis Kinerja Keuangan Perusahaan Sebelum dan Sesudah Initial Public Offering (IPO) Tesis S-2 Magister, Universitas Diponegoro.
Kasmir, 2008. Bank dan Lembaga Keuangan Lainnya. Edisi Revisi 2008. PT Rajagrafindo Persada, Jakarta.
Karina Dewi Puspita, 2008, "Pengaruh Price to Earnings, Debt to Equity Ratio, Return on Equity (ROE) terhdap Harga Pasar Saham setelah Penawaran Perdana di BEI, Universitas Udayana.
Keown, Arthur J. et all. 2004. Manajemen Keuangan Prinsip-Prisip dan Aplikasi, PT Index, Jakarta.
Kurniawan, Benny, 2007, Analisis Pengaruh Variabel Keuangan dan Non Keuangan Terhadap Initial Return dan Return 7 hari Setelah Initial Public Offering (studi empiris: Di Perusahaan Non Keuangan yang Listing di BEJ Periode 2002-2006), Universitas Diponegoro.
Kholid, A. 2006. Analisis Faktor-faktor yang mempengaruhi Price Earning Ratio Saham-saham Perusahaan yang Terdapat di Bursa Efek Jakarta. Universitas Islam Indonesia : Yogyakarta
Martono dan Harjito. A. D. 2004. Manajemen Keuanga. Ekonesia: Yogyakarta
Marlina, Danica, 2009. Analisis Pengaruh Cash Position, Debt to Equity, dan Return on Assets Terhadap Dividend Payout Ratio, Jurnal Manajemen Bisnis, Vol 2 (1): 1-6, Januari 2009.
Priyatno, D, 2009, 5 Jam Belajar Olah Data dengan SPSS 15, Yogyakarta : Andi
Riyanto, Bambang, 2001, Dasar-Dasar Pembelajaran Perusahaan, BFFE: Yogyakarta
Rusdi, S. 2006. Banking Assets an Liability Manajement. Edisi Ketiga.

Sawir, Agnes, 2001. Analisa Kinerja Keuangan dan Perencanaan Keuangan. PT Gramedia Pustaka Utama, Jakarta.

Samsul, M. 2006, Pasar Modal dan Manajemen Keuangan Portofolio. Jakarta: Erlangga

Widoatmodjo, Sawidji, 2005. Cara Sehat Investasi di Pasar Modal. PT Gramedia, Jakarta.

Wijayanto, Andhi, 2009, Analisis Pengaruh ROA, Financial Leverage, EPS, Proceed Terhadap Initial Return (studi terhadap Perusahaan Non Keuangan yang Melakukan IPO di BEI Periode 2000-2006), Universitas Negri Semarang.

Yolana, Dwi Martani Chastina, 2005 "Variabel-Variabel yang Mempengaruhi Fenomena Underpricing Pada Penawaran Saham Perdana di BEJ Tahun 1994-2001", Simposium Nasional Akuntansi VIII, IAI.

www.e-bursa.co.id

www.idx.co.id