

Effect Of Trading Volume Activity And Stock Return On Stock Split (Financial Sector 2017-2021 Period)

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ABSTRACT

The purpose of this study was to determine whether TVA and stock returns affect the stock split. The data collection technique in this study was an event study to analyze the hypothesis, namely on the 5th, 10th and 15th days before and after the company did a stock split. The test results of the effect of TVA (X1) on the stock split using the partial T test method showed results that had a significant effect, while the test results for the effect of stock returns (X2) on the stock split using the partial T test method showed insignificant results, namely there was no effect of return. stock before and after the stock split event and the test results The effect of TVA and stock returns on stock split using the simultaneous test method F shows the results of the magnitude of the influence of the TVA variable and stock returns on the stock split is 26%, then this shows TVA and stock returns have an effect on stock splits in financial sector companies listed on the Indonesia Stock Exchange for the 2017-2018 period.

Keyword: TVA, stock split, return saham

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Introduction

The enactment of Law Number 8 of 1995 concerning the capital market (UUPM) is a solid foundation and legal certainty for all parties involved and conducting activities in the capital market. The capital market is a market where people buy or sell newly issued securities or can also be called a source of funding/capital needs.

The main objective in the capital market is to provide trade support for a company, so that the capital market can have an impact on investment. Therefore, before investors invest their money in the capital market, investors need information on the company's financial statements and corporate actions such as stock splits and dividend distribution.

Stock split is divided into two types, namely: Split Up or Stock split and Split Down or Reverse Stock split. A stock split is a corporate action carried out by a company that has gone public by splitting the share price in a certain ratio. Thus, the number of shares on the market increases and the price per share decreases or becomes cheaper. This corporate action was carried out in the hope that stock transactions from issuers who carried out stock splits could be busy again (Fauzia, 2011).

The company's goal of carrying out a stock split is to increase the number of outstanding shares so that more investors can own these shares and avoid share prices that are too high so that it can be reached by investors who do not have large capital.

Meanwhile, other investors who have already purchased shares prior to the stock split will expect the maximum possible stock return. Return is the result (profit or loss) obtained from a stock investment. Stock returns can be positive or negative. If it is positive, it means getting a profit or getting a capital gain, while negative means suffering a loss or capital loss (Hermuningsih, 2018).

The main goal of investment is to get as much profit as possible, therefore, before making an investment, investors need to do financial statement analysis and pay attention to the stock returns that will be obtained.

The benefit of knowing stock returns for investors is to help measure the profits owned by investors and as a consideration, data for making investment decisions.

This study aims to test whether there is a significant effect of stock split corporate actions on stock trading volume and stock returns in companies listed on the Indonesia Stock Exchange in the financial sector from 2017 to 2021.

Research Method

The population in this study are all companies listed on the Indonesia Stock Exchange. From this population, the sample used in this study was taken, namely companies listed on the Indonesia Stock Exchange that carried out stock splits in 2017-2021, there were 46 companies and in this study a sample was taken in the financial sector, namely as many as 9 companies that carried out stock splits. The sample was again screened using the purposive sampling method. After screening, there were 6 companies that met these criteria, such as: the date of the stock split, which can be found on the official website of the Indonesia Stock Exchange at www.idx.co.id, and all the data needed is available and complete. .

The data collection technique in this study was an event study to analyze the hypothesis, namely on the 5th, 10th and 15th days before and after the company conducted a stock split. In this study has two variables, namely independent and dependent. In making it easier to write the variable name is changed with a symbol. The stock split variable is represented by the symbol Y, the trading volume activity variable is represented by the X_1 symbol, and stock returns are represented by the X_2 symbol. And the analytical test used in this study is the partial test (T-Test).

Result

Descriptive Analysis

Trading Volume Activity (X_1) Independent Variable

Table 1 Rata-rata TVA sebelum dan sesudah stock split

No	Company Name	Before	After
1	AMOR	0,1591	0,1202
2	BBCA	0,8723	0,2048
3	SRTG	0,2164	0,1296
4	MFIN	0,0042	0,0057
5	BMRI	0,4456	0,1795
6	BFIN	0,1995	0,1125

Based on the table above, it can be seen that BBCA companies have the largest TVA value of other companies, which is 0.8723 on the day before the stock split event and the smallest TVA value is in MFIN companies, which is 0.0042 on the day before the stock split event. The TVA calculation results listed in the table above can also be seen in graphical form as follows:

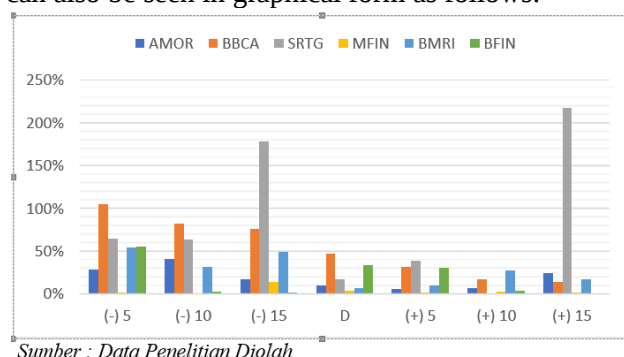


Fig 2. TV A

Based on these tables and graphs TVA can be described as follows:

In the company Ashmore Asset Management Indonesia, the highest TVA was 10 days before the stock split event, which was 40%, on the day the stock split event decreased to 10% and the lowest TVA occurred during the observation period 5 days after the stock split, which was 5 %.

In Bank Central Asia companies, the highest TVA was 5 days before the stock split, which was 103%, on the day of the stock split, it decreased to 46% and the lowest TVA occurred during the 15-day observation period after the stock split, which was 13%.

In the company Saratoga Investama Sedaya, the highest TVA was 15 days after the stock split, which was 217%, on the day of the stock split, the TVA was only 17% and the lowest TVA occurred during the observation period 10 days after the stock split, which was 1%. .

In the Mandala Finance company, the highest TVA was 15 days before the stock split, which was 14% on the day of the stock split, which decreased to 4% and the lowest TVA occurred during the observation period 10 days before the stock split, which was 0%.

The Bank Mandiri Indonesia company showed the highest TVA 5 days before the stock split event, which was 54% and the lowest TVA on the day the stock split occurred, which was 7%.

The BFI Finance company showed the highest TVA 5 days before the stock split, which was 56%, on the day of the stock split, it decreased to 34% and the lowest TVA occurred during the observation period 15 days after the stock split, which was 0%.

Table 2. TVA Descriptive Analysis Test Results

	N	Minimu m	Maximu m	Mean	Std. Deviation
TVA	42	,00	2,17	,34	,45
Valid N (listwise)	42				

Judging from the TVA descriptive analysis of 6 financial sector companies that carried out stock splits listed on the IDX in 2017-2021, the lowest score was 0.00 and the highest was 2.17. For an average (mean) on TVA, it was 0.34 and a standard deviation of 0.45. The results of this study indicate that the TVA value ranges from 0.00 to 2.17. With a large trading volume, it indicates that the stock is in great demand by investors, conversely, if the trading volume is small, the issuer is less attractive to investors.

Stock Return (X₂) Independent Variable

Table 3. Average stock return before and after the stock split

No	Company Name	Before	After
1	AMOR	0,0222	0,0006
2	BBCA	0,0177	-0,0021
3	SRTG	0,0056	0,0515
4	MFIN	0,0072	-0,0056
5	BMRI	-0,0038	0,0013
6	BFIN	0,0404	0,0154

Based on the table, it can be seen that the company Saratoga Investama Sedaya has the largest return value than other companies, namely 0.0515 during the observation period after the stock split event. The results of the return calculation listed in the table above can also be seen in graphical form as follows:

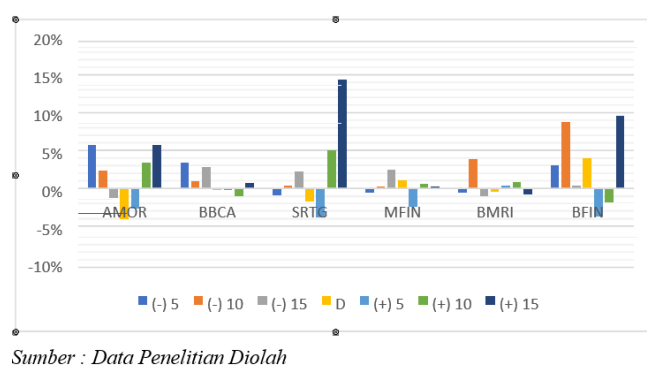


Fig 2. Stock Return

Based on the tables and diagrams above, stock returns can be described as follows:

At the Ashmore Asset Management Indonesia company, it showed the highest return 15 days after the stock split event, which was 6% and the lowest value of return occurred on the day of the stock split event, which fell to -2%.

In the Bank Central Asia company, it showed the highest return 5 days before the stock split event and the day of the stock split event, which was 3% and the lowest return occurred during the 5th and 10th day of the observation period after the stock split, which was -1%.

In the Saratoga Investama Sedaya company, it showed the highest return 15 days after the stock split, which was 14% and the lowest return occurred during the stock split, which was -2%.

The Mandala Finance company showed the highest return 15 days before the stock split, which was 14%, on the day of the stock split, it decreased to 1% and the lowest return occurred during the 5 day observation period after the stock split, which was -3%.

At the Bank Mandiri Indonesia company, it shows that the largest return is only 1%, namely during the observation period of 10 days before the stock split, 5 days after the stock split and 10 days after the stock split, and the lowest figure is -1% occurring during the 5 day observation period before the stock split, 15 days before the stock split, the day of the stock split and 15 days after the stock split.

The company BFI Finance showed the highest return 15 days after the stock split, which was 10%, on the day of the stock split, it decreased to 4% and the lowest return occurred during the observation period 5 days after the stock split, which was -4%. . Based on the descriptive analysis test for stock returns, the following data are obtained:

Table 5 Descriptive Statistics Stock Return Descriptive Analysis Test Results

	N	Minimum	Maximum	Mean	Std. Deviation
Return Saham	42	-,04	,14	,092	,033

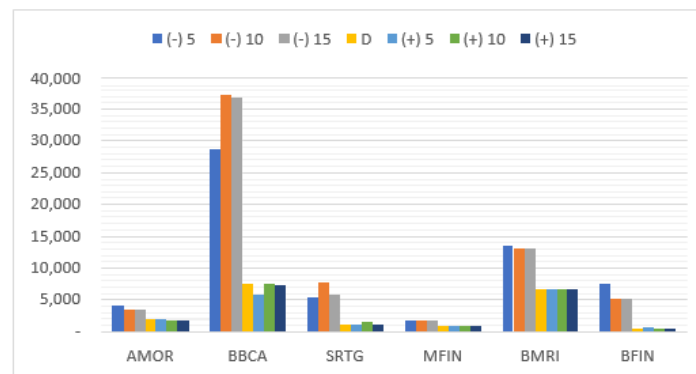
Valid N (listwise) 42

Judging from the descriptive analysis of stock returns in the 6 financial sector companies that carried out stock splits listed on the IDX in 2017-2021, the lowest value was -0.04 and the highest value was 0.14. For the average (mean) return of 0.092 and a standard deviation of 0.033. The results of this study indicate that the return value ranges from -0.04 to 0.14. With high stock returns, it makes investors more attractive to buy these shares.

Stock Split (Y) Dependent Variable

Table 6 List of stock split companies

Emiten Code	Stock Split	Ratio	Share Before	Shares After
AMOR	08.12.21	2 : 1	1.111.111.200	2.222.222.400
BBCA	13.10.21	5 : 1	24.408.459.900	122.042.299.500
SRTG	18.05.21	5 : 1	2.712.967.000	13.564.835.000
MFIN	28.08.18	2 : 1	1.325.000.000	2.650.000.000
BMRI	13.09.17	2 : 1	23.099.999.999	46.199.999.998
BFIN	05.06.17	10 : 1	1.596.711.562	15.967.115.620



Sumber : Data Penelitian Diolah

Fig 3. Share Price Observation Period

Based on the tables and graphs above, stock prices during the observation period can be described as follows:

At the Ashmore Asset Management Indonesia company, it showed the highest price 5 days before the stock split, which was Rp. 2,000 on the day of the stock split event, it decreased to Rp. 1,895 and the lowest price occurred during the observation period 10 days before the stock split, which was Rp. 1,710. The Bank Central Asia company showed the highest price at the time of the stock split, which was Rp. 7,525 and the lowest price occurred during the observation period 5 days before the stock split, which was Rp. 7,290.

The Saratoga Investama Sedaya company showed the highest price 15 days after the stock split, which was Rp. 1,560 on the day of the stock split event, which decreased to Rp. 1,100 and the lowest price occurred during the 5-day observation period after the stock split, which was Rp. 1,090.

The Mandala Finance company shows the highest price 15 days after the stock split, which is Rp. 897 on the day of the stock split event decreased to Rp. 895 and the lowest price occurred during the 5 day observation period and 10 days after the stock split, which was Rp. 825.

The Bank Mandiri Indonesia company showed the highest price 5 days after the stock split event, which was Rp. 6,750 on the day of the stock split event, it decreased to Rp. 6,575 and the lowest price occurred during the observation period 15 days before the stock split, which was Rp. 6,525.

The BFI Finance company showed the highest price 5 days before the stock split, which was Rp. 770 on the day of the stock split event, it decreased to Rp. 520 and the lowest price occurs during the observation period 15 days before the stock split, which is Rp. 461.

Based on the descriptive analysis test for stock prices during the stock split observation period, the following data are obtained:

Table 8. Descriptive analysis test results for stock split period stock prices
Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Stock Split	42	520,00	37250,00	6391,21	8648,05
Valid N (listwise)	42				

Judging from the descriptive analysis of stock prices during the observation period in the 6 financial sector companies that carried out stock splits, the lowest value was 520.00 and the highest value was 37250.00 for an average (mean) of 6391.21 and a standard deviation of 8648.05. The results of this study indicate that the stock value ranges from 520.00 to 37250.00.

Conclusion

Based on the results of research on the effect of stock splits on trading volume activity (TVA) and stock returns, this study can be concluded as follows: (1) It is known that TVA has a significant effect on stock splits in financial sub-sector companies listed on the Indonesia Stock Exchange Period 2017-2021 due to trading volume getting positive results, which shows that these shares are in great demand by investors. Conversely, a small trading volume indicates that the stock is less attractive to investors by looking at trading volume activity. Thus, high trading volume will affect the buying and selling of shares which will affect the level of investor confidence. (2) It is known that stock returns do not significantly affect stock splits in financial sub-sector companies listed on the Indonesia Stock Exchange for the 2017-2021 period because negative returns show no reaction from investors on stock split announcements, which are considered uneconomical thereby causing a decrease in share prices. This is because the number of shares owned by investors increases but on the other hand the stock price falls disproportionately, so it gets a negative result. The results of this study stated that there was no significant difference in stock returns before and after the stock split. (3) It is known that TVA and stock returns have a significant effect together. In the results of this study, the magnitude of the influence of the TVA variable and stock returns on stock splits is 26%, so this shows that TVA and stock returns have an effect on stock splits in financial sector companies listed on the Indonesia Stock Exchange for the 2017-2018 period.

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