ABSTRACT

Merger and acquisition constitute important information for shareholders. Merger can be defined as amalgamation two or more companies engaged in the same industry into one new corporation or defend one of the companies to strengthen the position of the company. While the acquisition is a takeover part or all of the stock or assets other companies but both companies are operating. This research aims to analyze the difference in abnormal return, and trading volume activity before and after the merger and acquisition. In which investors can use the announcement mergers and acquisitions as consideration invest.

This research uses event study method to observe abnormal return, and trading volume activity within five days before and after the announcement. This research takes population from all of the banking that done merger and acquisition activity in period of 2008-2013. The samples of this research consists of 9 banks in the period of 2008-20013. This research uses secondary data that collected from Indonesian Capital Market Directory (ICMD) 2008 up to 2013, www.idx.co.id.

The analysis used to test the hypothesis of this research is quantitative analysis with statistical methods of data normality test, paired sample t-test and wilcoxon signed rank test. The results from the paired sample t-test shows that there were significant difference for abnormal return after merger and acquistions in period of observation and testing. And the result from the wilcoxon signed rank test shows that there were no significant difference for trading volume activity after merger and acquisition in period of observation.

Keywords: merger and acquisition, abnormal return, trading volume activity, paired sample t-test.