

ABSTRACT

This study aims to determine whether there are differences in abnormal return obtained by the company around the announcements of mergers and acquisitions in IDX. and to determine whether there are differences in the stock trading volume activity before and after the announcement of mergers and acquisitions. The population in this study include all companies that go public in BEI. The sampling technique used purposive sampling technique. The samples in this study area all the companies that make announcement of mergers and acquisitions in the period 2010-2014 with total samples are 51 companies. The technique analysis used in this study is a quantitative analysis with the calculation of event study and hypothesis testing using Wilcoxon test.

Based on the analysis and discussion in the previous section, it can be concluded as follows: (1) There is a difference of abnormal return before and after the announcement of mergers and acquisitions. It can be seen from the significant value under 0.05 so the first hypothesis is accepted. So before and after the announcement of the merger and acquisition of the company there are differences in terms of abnormal returns. (2) There are differences in the stock trading volume activity before and after the announcement of mergers and acquisitions. It can be seen from the significant value under 0.05 so that the second hypothesis is accepted. So before and after the announcement of mergers and acquisitions there are differences in the stock trading volume activity.

Keywords: Merger and Acquisition Announcements, Abnormal Return, Stock Return, Market Adjust Model, Trading Volume Activity