

## **ABSTRACT**

*The aim of this study is to analyze the differences of abnormal return and trading volume activity on growth and non-growth firms before and after stock split.*

*The study was conducted on 36 companies that are listed on the Indonesian Stock Exchange and they do stock split in the year 2008-2012. There are 31 companies listed as growth firms and 5 companies listed as non-growth firms. The category of growth and non-growth firms based on IOS (Investment Opportunity Set) proxy MVEBVE (Market to Book Value of Equity). This study used statistical analysis test two different test average with a 11-day observation period is  $t = -5$  (5 days before stock split),  $t=0$  (event date) and  $t = 5$  (5 days after stock split). The method of determination of sample using purposive sampling.*

*The result showed that there are significant differences between AAR of non-growth company & average TVA of growth company before & after stock split and also average TVA between growth and non-growth company after stock split. Meanwhile there are no significant differences between AAR of growth company & average TVA of non-growth company before & after stock split and also AAR between growth and non-growth company after stock split*

*Keywords : stock split, abnormal return, trading volume activity, growth and non-growth companies*