

ABSTRACT

This research is aimed to test the effect of stock split and right issue on abnormal return and trading volume activity using market model as method during corporate action window on 7 days before and 7 days after the ex-date stock split and right issue. This study uses event study methodology with paired sample t-test and normality tes. The data used in this study are daily data on stock prices, the number of shares traded, the number of shares outstanding in companies listed on LQ45 beetween 2015-2020.

The result of this study shows that there is no abnormal return difference in stock split and right issue event before and after the announcement. Another result shows that there are significant difference on trading volume activity in stock split event and no difference on trading volume activity in right issue event.

Keywords: *Stock Split, Right Issue, Abnormal Return, Trading Volume Activity, Event Study, Market Model*