

ABSTRACT

The condition of the equity price movements in the Indonesian capital market are relatively high fluctuation is influenced by several factors, one of which is the dividend announcement. Information about the rise and fall of the cash dividend distributed is one of information that is deemed important enough for investors. The purpose of this study was to analyze changes in stock returns before and after the dividend announcement.

The population in this study were 88 companies that consistently are at LQ45 period February 2010 to January 2015 and samples used in this study amounted to seven issuers obtained by using purposive sampling technique.

This type of research used in this research is descriptive and verikatif through event study. The research period, namely 11 days of five days before the announcement, a day when the dividend announcement, and five days after the dividend announcement. A benchmark to determine this analysis is to use different test average on stock returns and abnormal stock returns.

Based on test results, showing that there is a significant difference against the average of the stock return and abnormal return in the first period is declared. However, in the second period is declared there are no differences in average significant stock returns and abnormal return. From the analysis it can be concluded that the content of the information received from the announcement of a dividend investor significantly affect stock return change in the first period and did not significantly affect stock returns in the second period is declared.