Stock Price, Return, And Abnormal Return Differences Before And After Stock Split In High And Low Profile Companies Listed On The Indonesian Stock Exchange

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Abstarct

The purpose of this study is to see if there are differences in stock prices, stock returns, and abnormal returns before and after a stock split in high-profile and low-profile companies. This study's research period was 2020-2022. The research was analyzed quantitatively using a purposive sampling method. Based on the sampling criteria, 39 companies were selected as research samples. Kolmogorov Smirnov The normality test was performed using a single sample test. Following the normality test, the data was processed using the two-paired-sample difference test. If the data were normally distributed, the t-test (paired sample t-test) was used; otherwise, the Wilcoxon Signed Rank test was used. The results of hypothesis testing revealed that (1) there are differences in stock prices before and after a stock split in high-profile companies. (2) In low-profile companies, stock prices differ before and after the stock split. (3) There are differences in stock returns in high-profile companies before and after a stock split. (4) There is no difference in stock returns for low-profile companies before and after the stock split. (5) There is no difference in abnormal returns in high-profile companies before and after the stock split. (6) There is no difference in abnormal returns in low-profile companies before and after the stock split. (7) There are differences in stock prices following a stock split between high-profile and low-profile companies. (8) There is no difference in stock returns in high and low-profile companies before and after the stock split. (9) There is no difference in abnormal stock returns before and after a stock split at high and low-profile companies.

Abstack : Stock Splits, Stock Prices, Stock Returns, Abnormal Returns

INTRODUCTION

In this modern era, the capital market in Indonesia is growing along with its increasingly vital function as an important instrument in the development of the economic system. As a fund collector and investment institution, the capital market has a close relationship with investors as the investing party. This is evidenced by research conducted byBudiyanti (2011) that the capital market has a major influence on economic growth in Indonesia. Many investors are interested in investing in stocks in companies that have gone public, but in deciding on a viable company portfolio, investors need adequate information to determine which company will provide the highest return for them (Hanafie and Diyani, 2016). Therefore, investors must know information related to capital market developments in order to make investment considerations and decisions.

One of the important pieces of information to be considered by investors is a stock split. The general reason for companies to do stock splits is so that the share price is not too high, so this will increase trading liquidity (Jogiyanto, 2017). The liquidity of a security is how quickly the security can be traded. When the market reaction to the company's stock increases, it will increase the company's stock price which will bring returns to the company and investors and also provide abnormal returns.).

Companies that have high-priced stocks give a signal that the company has good future prospects, where high stock prices reflect that the company has good performance (Damayanti et al., 2014). According to the trading range theory, stock prices that are too high cause stocks to become illiquid. This relates to the different abilities of each investor. The relationship between stock split and trading range theory can be seen from the company's internal point of view which motivates the company to carry out a stock split which can be seen from future profits for the company (Damayanti et al., 2014).

The increasing demand and supply of a stock, it will have a big effect on rising stock prices on the stock exchange. Meanwhile, the increasing volume of stock trading indicates that the stock is increasingly in demand by the public so that it will have an impact on the rise and fall of the stock price or return (Susanti, 2020). Stock trading liquidity will also affect the amount of stock returns that will be obtained. Stock return is the result obtained from investment in the form of shares (Jogiyanto, 2017).

Stock splits carried out by companies will be assessed by investors as a signal that managers have a signal that is profitable for them, which is indicated by the presence of positive abnormal returns estimates around the announcement of a stock split. This means that only companies that have good performance can provide signals that investors can trust (step on, 2018). The few trade transactions that occur will cause prices to move inconsistently so that there is less hope of getting an abnormal return. Abnormal return is the excess of the actual return over the normal return. Normal return is the expected return (return expected by investors). Thus the abnormal return is the difference between the actual return and the expected return of investors (Jogiyanto, 2017). A positive abnormal return indicates that the return received is greater than expected, if the return received is smaller than expected, then it is called a negative abnormal return or the return is not as expected by investors.

Indarti and Purba (2011) states that there is a significant difference in the average share price in the period before and after the stock split announcement. These results indicate that during stock split events in Indonesia, the trading range theory states that after the stock split announcement, stock prices change significantly, which is in the optimal trading range. And there is a significant difference between trading volume before and after the stock split. In contrast to researchKristianiarso (2016) AndPrisillia (2017) that there is no significant difference between stock prices and trading volume stocks before and after a stock split. This proves that there is a significant difference between stock returns before and after a stock split.

StudyHanafie and Diyani (2016)states that there is no significant difference in stock returns before and after the stock split announcement. In contrast to the research that has been doneKristianiarso (2016) which shows that there is a significant difference in stock returns between before and after the stock split. This means that the announcement of the

stock split has a positive effect on investors on stock returns and provides a positive signal to influence investors in making investment decisions.

StudySatria and Adnan (2018) shows that there is no difference in abnormal returns before and after the stock split event. This happens because investors are still unsure about the return that will be obtained from companies that do stock splits. But researchSakti and Pangestuti (2013)AndSadikin (2016)there is a significant difference in abnormal returns before and after a stock split in companies that do not grow. This shows that stock split activities carried out by companies going public have an effect on decision making.

Based on previous research, the researchers decided in this study to determine the variables that could affect the stock split. These variables include stock prices, stock returns, and abnormal returns. In this case, the study took samples based on the types of high profile and low profile companies that went public on the Indonesia Stock Exchange.Urmila and Mertha (2017) explained that there are two types of companies, namely high profile and low profile. Companies that are classified as high profile usually get a lot of attention or scrutiny from the wider community because they have a high level of competition, a high level of political risk and have a high level of sensitivity to the environment.

On the other hand, a low profile industry is a company that does not get much attention or scrutiny from the wider community because this industry has a low level of consumer visibility, level of political risk, and level of competence. Companies belonging to high profile industries are supervised more by the government than companies belonging to low profile industries (Sari, 2012). This study wants to see further whether there are differences in stock prices, stock returns, and abnormal returns before and after a stock split in high profile and low profile companies.

Industries included in the high profile category include automotive, aviation, agriculture, cigarettes and tobacco, food and beverages, communication media, energy (electricity), health, and transportation. While companies that are classified as low profile types include construction, finance and banking companies, medical equipment providers, property, retailers, textiles, personal products, and household products.(Yulia and Afrianti, 2014).

RESEARCH METHODS

Population and Sample

Population is a generalization area consisting of objects or subjects that have certain qualities and characteristics determined by researchers to be studied and then drawn conclusions (Sugiyono, 2013). The population used in this study are all companies listed on the Indonesia Stock Exchange and conducting stock splits during the 2020-2022 period.

The sample is part of the number and characteristics possessed by the population (Sugiyono, 2013). Sampling measurements are steps to determine the size of the sample to be taken in carrying out a study. In addition, it should also be noted that the selected sample must be representative, meaning that all characteristics of the population should be reflected in the selected sample. Sampling must be done in such a way that the sample

can truly represent and describe the actual population.

The sample selection criteria are as follows:
1) Companies listed on the Indonesia Stock Exchange in the 2016-2018 period.
2) Classify or categorize companies based on high profile and low profile types.
3) During the observation period the company did not carry out other corporate actions besides
*4) stock splits*so that you can see pure stock movements due to a stock split.
5) The selected stock sample was actively traded for at least 10 days around the stock split with the assumption that investors actually trade stocks purely because they see stock split information only 5 days before and 5 days after.

Data analysis technique
Normality test

Before testing the hypothesis, a data normality test is first performed to determine the type of statistic to be used, whether parametric statistics or nonparametric statistics Sugiyono, 2013). The normality test aims to test whether in a regression model, the dependent variable has a normal distribution or not. A good regression model is normal data or close to normal. The trick is to use a normal probability plot that compares the cumulative distribution of the normal distribution. Data that is normal or close to normal distribution has a bell shape.

To test the normality of the data, the regression model can be detected by looking at the spread of the data (points) on the diagonal axis of the graph or by looking at the histogram of the residuals. The data can be said to be normal if the data or points are spread around the diagonal graphic and the distribution follows the diagonal graphic or the histogram graph. If the data is spread around the diagonal line and follows the direction of the diagonal line, then the regression meets the assumption of normality. However, if the data spreads from the diagonal line and/or does not follow the direction of the diagonal line, then the regression does not meet the assumption of normality (Ghozali, 2013).
A more accurate method of testing for normality is to test
Kolmogorov-Smirnov, namely by looking at significant profitability figures, namely:
1) If (Asymp Sig) < 0.05 then the data distribution is not normal
2) If (Asymp Sig) > 0.05 then the data distribution is normal

After the normality test is carried out, the data is processed using a different test of two samples in pairs with the following conditions:
1) If the data is normally distributed, the t-test (paired sample t-test) is used.
2) If the data is not normally distributed, the Wilcoxon signed rank test is used (non-parametric test).

Hypothesis testing

The quantitative independent variables in this study have two categories, therefore the test is carried out using the mean difference test method for two paired samples (paired t-test). This different test method is used to analyze the pre-post or before-after research model. This different test evaluates a particular treatment on the same sample at two different observation periods (Azizah, 2019). Paired sample t-test is used if the data is normally distributed.

To make a decision, several considerations must be made, namely:
1) If the probability <0.05, then the hypothesis is rejected, meaning that there is no difference in variance.
2) If the probability > 0.05, then the hypothesis is not rejected, meaning that there is the same variance.

According toGhozali (2013)the standard error of the difference in the mean values should be normally distributed. Based on these results, the study will use the Kolmogorov-Smirnov normality test. Vice versa, if the data is not normally distributed, a non-parametric test is used, namely the Wilcoxon rank test.

RESULTS AND DISCUSSION

Normality test

Table 1. Results of Data Analysis of High Profile Company Stock Prices

		BeforeAfter	
N		80	80
Normal Parameters	*Means*	14891.711732,69	
	std. Deviation	23951,8782359,473	
Most Extreme Differences	*absolute*	0.298	0.275
	Positive	0.298	0.275
	Negative	-0.271	-0.247
Test Statistics		0.298	0.275
asymp. Sig. (2-Tailed)		0.000	0.000

Table 1 above shows that the data is not normally distributed because it shows a significant value of less than 0.05, namely 0.000 both before and after the stock split in high profile companies.

Table 2. Results of Data Analysis of Low Profile Company Stock Prices

		Before	After
N		120	120
Normal Parameters	*Means*	3834,39	959.91
	std. Deviation	4590,028	1543,178
Most Extreme Differences	*absolute*	0.299	0.367
	Positive	0.299	0.367
	Negative	-0.221	-0.300
Test Statistics		0.299	0.367

		asymp. Sig. (2-Tailed)	0.000	0.000

Table 2 above shows that the data is not normally distributed because it shows a significant value of less than 0.05, namely 0.000 both before and after the stock split in low profile companies.

Table 3. Results of Data Analysis of High Profile Company Stock Returns

		Before	After
N		80	80
Normal Parameters	Means	0.010614	-0.010329
	std. Deviation	0.0360056	0.1086300
Most Extreme Differences	absolute	0.259	0.304
	Positive	0.259	0.250
	Negative	-0.213	-0.304
Test Statistics		0.259	0.304
asymp. Sig. (2-Tailed)		0.000	0.000

Table 3 above shows that the data is not normally distributed because it shows a significant value of less than 0.05, namely 0.000 both before and after the stock split in high profile companies.

Table 4. Results of Data Analysis of Low Profile Company Stock Returns

		Before	After
N		120	120
Normal Parameters	Means	0.0072333	0.0048671
	std. Deviation	0.0370179	0.05815399
Most Extreme Differences	absolute	0.232	0.226
	Positive	0.232	0.226
	Negative	-0.196	-0.148
Test Statistics		0.232	0.226
asymp. Sig. (2-Tailed)		0.000	0.000

Table 4 above shows that the data is not normally distributed because it shows a significant value of less than 0.05, namely 0.000 both before and after the stock split in low profile companies.

Table 5. Results of Data Analysis for High Profile Company Abnormal Returns

		Before	After
N		45	45
Normal Parameters	Means	-4.6742	-4.2760
	std. Deviation	1.53991	1.12230
Most Extreme Differences	absolute	0.113	0.087
	Positive	0.103	0.087

		Negative	-0.113	-0.074
		Test Statistics	0.113	0.087
		asymp. Sig. (2-Tailed)	0.189	0.200

Table 5 above shows that the data is not normally distributed because it shows a significant value of more than 0.05, namely 0.189 for before the stock split and 0.200 for after the stock split in high profile companies.

Table 6. Results of Data Analysis for Low Profile Company Abnormal Returns

			Before	After
	N		60	60
Normal Parameters		*Means*	-4.3963	-3.9539
		std. Deviation	1.21644	1.45445
Most Extreme		*absolute*	0.090	0.092
Differences		*Positive*	0.088	0.054
		Negative	-0.090	-0.092
	Test Statistics		0.090	0.092
	asymp. Sig. (2-Tailed)		0.200	0.200

Table 6 above shows that the data is not normally distributed because it shows a significant value of more than 0.05, namely 0.200 for before and after the stock split in low profile companies.

Hypothesis testing
Table 7. Results of Analysis of High Profile Company Stock Price Data

	After before
Z	-7,770
asymp. Sig. (2-tailed)	0.000

Table 7 above explains that the asymp. sig (2-tailed) value < 0.05 at the stock price before and after the stock split in high profile companies on the Indonesia Stock Exchange, namely 0.000, so there is a significant difference in stock prices.

Table 8. Results of Data Analysis of Low Profile Company Stock Prices

	After before
Z	-9,507
asymp. Sig. (2-tailed)	0.000

Table 8 above explains that the asymp. sig (2-tailed) value < 0.05 at the stock price before and after the stock split in low profile companies on the Indonesia Stock Exchange, namely 0.000, so there is a significant difference in stock prices.

Table 9. Results of Data Analysis of High Profile Company Stock Returns

	After before
Z	-2,523
asymp. Sig. (2-tailed)	0.012

Table 9 above explains that the asymp. sig (2-tailed) value <0.05 on stock returns before and after a stock split in high profile companies on the Indonesia Stock Exchange, which is equal to 0.012, so there is a significant difference in stock returns.

Table 10. Results of Data Analysis of Low Profile Company Stock Returns

	After before
Z	-1.133
asymp. Sig. (2-tailed)	0.257

Table 10 above explains that the asymp. sig (2-tailed) has a value of > 0.05 in stock returns before and after a stock split in low profile companies on the Indonesia Stock Exchange, which is 0.257, so there is no significant difference in stock returns.

Table 11. Results of Data Analysis for High Profile Company Abnormal Returns

		Means	*std. Deviation*	*std. Error Means*	*90% Confidence Interval of the difference*		*t*	*df*	*Sig. (2-tailed)*
					Lower	*Upper*			
Pairs 1	**Before-After**	0.0209575	0.1079687	0.0120713	0.0030698	0.0449848	1,736	79	0.086

Table 11 above explains that the asymp. sig (2-tailed) is > 0.05 at *abnormal returns* before and after a stock split at a high profile company on the Stock Exchange Indonesia, which is equal to 0.086, so there is no significant difference in *abnormal returns* share.

Table 12. Results of Data Analysis for Low Profile Company Abnormal Returns

		Means	std. Deviation	std. Error Means	Lower	Upper	t	df	Sig. (2-tailed)
					90% Confidence Interval of the difference				
Pairs 1	Before-After	0.0028108	0.0680974	0.0062164	-0.0094983	0.0151200	0.452	119	0.652

Table 12 above explains that the asymp. sig (2-tailed) has a value of > 0.05 in the abnormal return before and after a stock split in low profile companies on the Indonesia Stock Exchange, which is 0.652, so there is no significant difference in abnormal stock returns.

Table 13. Results of Stock Price Data Analysis After Stock Split in High Companies
and Low Profile

	Low-High
Z	-4,691
asymp. Sig. (2-tailed)	0.000

Table 13 above explains that the asymp. sig (2-tailed) value <0.05 at the share price after the stock split in high and low profile companies on the Indonesia Stock Exchange, namely 0.000, so there is a significant difference in share prices.

Table 14. Results of Stock Return Data Analysis After Stock Split in High Companies
and Low Profile

	Low-High
Z	-4,691
asymp. Sig. (2-tailed)	0.314

Table 14 above explains that the asymp. sig (2-tailed) has a value of > 0.05 in stock returns after a stock split in high and low profile companies on the Indonesia Stock Exchange, which is 0.314, so there is no significant difference in stock returns.

Table 15. Results of Data Analysis of Abnormal Stock Returns After Stock Split in High and Low Profile Companies

90% Confidence Interval of the difference

		Means	std. Deviation	std. Error Means	Lower	Upper	t	df	Sig. (2-tailed)
Pairs 1	high- Low	- 0.0099925	0.1276419	0.0142708	- 0.0383978	0.0184128	- 0.700	79	0.486

Table 15 above explains that the asymp. sig (2-tailed) has a value of > 0.05 in abnormal stock returns after stock splits in high and low profile companies on the Indonesia Stock Exchange, namely 0.486, so there is no significant difference in abnormal stock returns.

Discussion
Share Prices on the Indonesia Stock Exchange Before and After a Stock Split in High Profile Companies

*stock splits*is a form of company activity to increase the level of stock liquidity and aims to be able to attract investors in the hope that stock prices will increase. From the results of research on stock prices during the five days before and five days after the stock split of 16 high profile companies as samples. Overall, it can be seen that there is a significant difference in stock prices before and after the stock split from 2016 to 2018. This is because stock splits provide a positive signal from the company to the public, so that investors who initially did not buy shares due to high share prices , can reach the stock price after the stock split with a lower nominal.

The difference in stock prices before and after a stock split for high profile companies indicates that stock prices on the Indonesia Stock Exchange reflect quickly and accurately all published information, including information on stock splits conducted by high profile companies. The results of this study are also in accordance with research conducted byIndarti and Purba (2011)as well asSatria and Adnan (2018).The study states that there is a significant difference in the average stock price in the period before and after the stock split announcement. These results indicate that during stock split events in Indonesia, the trading range theory states that after the stock split announcement, stock prices change significantly, which is in the optimal trading range.

Share Prices on the Indonesia Stock Exchange Before and After a Stock Split in Low Profile Companies

*stock splits*is a form of company activity to increase the level of stock liquidity and aims to be able to attract investors in the hope that stock prices will increase. From the results of research on stock prices during the five days before and five days after the stock split of 24 low profile companies as samples. Overall it can be seen that there are significant differences in stock prices before and after the stock split. This is because the stock split gives a positive signal from the company to the public.

These results indicate that due to stock splits that occurred in low profile companies causing changes in stock prices from 2016 to 2018. This is likely to occur because investors in Indonesia provide quick feedback on the stock split information they receive. and considers the stock split announcement given by the company as information

that can be profitable. The results of this study are also in accordance with research conducted byIndarti and Purba (2011)as well asSatria and Adnan (2018).The study states that there is a significant difference in the average stock price in the period before and after the stock split announcement. These results indicate that during stock split events in Indonesia, the trading range theory states that after the stock split announcement, stock prices change significantly, which is in the optimal trading range.

Return Shares on the Indonesia Stock Exchange Before and After the Stock Split in High Profile Companies

From the results of research on stock returns for five days before and five days after the stock split of 16 high profile companies as samples. Overall, it can be seen that there are significant differences in stock returns before and after the stock split from 2016 to 2018. This happens because investors in high profile companies respond positively to stock split announcements and consider this information to be profitable information. So this means that the market reaction to the stock split announcement is very good and can change investors' interest in investing.

This is in line with signaling theory because by doing a stock split the company informs good prospects so that investors are interested in buying these shares. The results of this study are also in accordance with research conducted byKristianiarso (2016).The study states that there is a significant difference between stock returns before and after a stock split and there is no significant difference between stock trading volume before and after a stock split.

*return*Shares on the Indonesia Stock Exchange Before and After the Stock Split on Low Profile Companies

From the results of research on stock returns for five days before and five days after the stock split of 24 low profile companies as samples. Overall, it can be seen that there is no significant difference in stock returns before and after the stock split from 2016 to 2018. This means that investors in low profile companies consider stock split announcements to be unfavorable. It can be interpreted that the market reaction is not good and investors' interest in investing has not changed.

Information signals about the company's growth prospects in the future are known to the principal, so that information asymmetry related to this information does not occur, this causes no large amount of return adjustments. The rate of return on shares of companies that carry out stock splits only experiences a slight increase after the stock split. Efforts to increase returns have not been successful, which is known from a stable price level. There is no difference in returns before and after the stock split due to several reasons. The first cause is that information has been absorbed by the market and is reflected in the stock market price, which is the basis for calculating returns.

Absorbed information causes investors not to make purchases in relatively large quantities which can affect the stock market price. A stable price level causes no difference in returns before and after a stock split. The second cause is companies that carry out stock splits without being preceded by an extraordinary increase in the company's return rate. Investors do not see any future prospects for the company, such as

an increase in dividends. This causes the price level to stabilize. The results of this study are also in accordance with research conducted byHanafie and Diyani (2016)as well asRahayu and Murti(2017) which states that there is no significant difference in stock returns before and after the stock split announcement. This means that the stock split has no significant effect on changes in stock prices.

*Abnormal Returns*Stocks on the Indonesia Stock Exchange Before and After *Stock Splits*in High Profile Companies

From the results of research on abnormal stock returns for five days before and five days after the stock split against 16 high profile companies as samples. Overall it can be seen that there is no significant difference in abnormal stock returns before or after the stock split from 2016 to 2018. The absence of abnormal stock returns before and after the stock split indicates that stock split announcement information is not considered good news by investors. Most investors are not interested in buying split shares in high profile companies.

*Signaling theory*does not apply to abnormal returns in high profile companies on the Indonesia Stock Exchange which were sampled in this study from 2016 to 2018. The absence of differences in abnormal stock returns before and after stock splits in high profile companies means that stock splits do not contain information or signaling theory about future profits. Signaling theory does not always apply in stock split events because the results of the hypothesis prove that there is no difference in abnormal returns before and after a stock split. When it is related to market efficiency, stock split information from high profile companies does not generate abnormal returns so that it is included in semi-strong market efficiency. As a result of market efficiency, semi-strong investors do not earn profits above normal consistently by utilizing public information. The results of this study are also in accordance with research conducted bySatria and Adnan (2018) as well asSakti and Pangestuti (2013) which states that there is no difference in abnormal returns before and after the stock split event and for growing and non-growing companies there is no significant difference in abnormal stock returns after the announcement of a stock split.

*Abnormal Returns*Stocks on the Indonesia Stock Exchange Before and After *Stock Splits*on Low Profile Companies

From the results of research on abnormal stock returns for five days before and five days after the stock split against 24 low profile companies as samples. Overall it can be seen that there is no very significant difference in abnormal stock returns before or after the stock split from 2016 to 2018. This means that stock split announcements are considered not to have important information content for investors in low profile companies and the market is not react to stock split information provided by the company, then this causes abnormal returns to have no significant effect. Investors did not react positively to stock splits carried out by low profile companies,

*Signaling theory*does not apply to stock splits conducted by low profile companies. In fact, most investors do not believe that stock splits conducted by low profile companies are a signal given by management regarding better company prospects in the future, so these investors are not interested in buying these shares after the stock split.

When it is related to market efficiency, the announcement of a stock split in a low profile company is included in the semi-strong efficiency market, this is evidenced by the absence of differences in abnormal returns before and after the stock split in low profile company. The results of this study are also in accordance with research conducted bySakti and Pangestuti (2013)which states that there is no difference in abnormal returns before and after the stock split event and for growing and non-growing companies there is no significant difference in abnormal stock returns after the announcement of a stock split.

Share Price on the Indonesia Stock Exchange After the Stock Split of the Company High Profile and Low Profile

*stock splits*is a form of company activity to increase the level of stock liquidity and aims to be able to attract investors in the hope that stock prices will increase. From the results of research on stock prices during the five days before and five days after the stock split of 16 high profile companies and 24 low profile companies as samples. Overall it can be seen that there are significant differences in stock prices before and after the stock split. These results indicate that due to stock split events that occurred in low profile companies, it caused changes in stock prices from 2016 to 2018.

This is likely to occur because investors in Indonesia provide quick feedback on the stock split information they receive and consider stock split announcements provided by the company to be profitable information. The results of this study are also in accordance with research conducted byIndarti and Purba (2011) as well asSatria and Adnan (2018). The study states that there is a significant difference in the average stock price in the period before and after the stock split announcement. These results indicate that during stock split events in Indonesia, the trading range theory states that after the stock split announcement, stock prices change significantly, which is in the optimal trading range.

Return Shares on the Indonesia Stock Exchange After the Stock Split in the Company High Profile and Low Profile

From the results of research on stock prices during the five days before and five days after the stock split of 16 high profile companies and 24 low profile companies as samples. Overall it can be seen that there is no very significant difference in stock returns after the stock split from 2016 to 2018. This is because investors in some high profile and low profile companies consider the announcement of a stock split to be unfavorable, which can be interpreted that the market reaction was unfavorable and did not change investors' interest in investing. In some high and low profile companies that announce a stock split, it is not followed by the distribution of dividends to shareholders.

Dividends are one of the motivations for investors to invest. If the company pays dividends in large numbers, it will be able to motivate investors to buy these shares. So in high profile and low profile companies, stock split activities do not affect stock returns, do not provide welfare for the shareholders, only divide the shares into more shares. The results of this study are also in accordance with research conducted byHanafie and Diyani (2016)as well asRahayu and Murti (2017)which states that there is no significant difference in stock returns before and after the stock split announcement. This means that

the stock split has no significant effect on changes in stock prices.

*Abnormal Returns*Shares on the Indonesia Stock Exchange After Stock Split in High Profile and Low Profile Companies

From the results of research on stock prices during the five days before and five days after the stock split of 16 high profile companies and 24 low profile companies as samples. Overall it can be seen that there is no very significant difference in abnormal stock returns after a stock split from 2016 to 2018. This is because stock split announcements are considered to have no important information content for investors and the market does not react to stock split information provided by the company, then this causes the abnormal return to not have a significant effect. this means, investors do not pay much attention to the type of company, both high profile and low profile in predicting abnormal stock returns from the company and also stock split announcements do not provide information about future profit levels. The results of this study are also in accordance with research conducted bySatria and Adnan (2018)as well asSakti and Pangestuti (2013)which states that there is no difference in abnormal returns before and after the stock split event and for growing and non-growing companies there is no significant difference in abnormal stock returns after the announcement of a stock split.

CONCLUSIONS AND RECOMMENDATIONS

Conclusion

Based on the above research results, the following conclusions are obtained:

There are differences in stock prices before and after a stock split in high profile companies. This is evidenced by the asymp value. sig (2-tailed) value < 0.05 at the stock price before and after the stock split in high profile companies on the Indonesia Stock Exchange, namely 0.000, so there is a significant difference in stock prices. The first hypothesis which says there are differences in stock prices before and after the stock split in high profile companies is accepted.

There are differences in stock prices before and after a stock split in low profile companies. This is evidenced by the asymp value. sig (2-tailed) value < 0.05 at the stock price before and after the stock split in low profile companies on the Indonesia Stock Exchange, namely 0.000, so there is a significant difference in stock prices. The second hypothesis which says there are differences in stock prices before and after the stock split in low profile companies is accepted.

There are differences in stock returns before and after a stock split in high profile companies. This is evidenced by the asymp value. sig (2-tailed) value <0.05 on stock returns before and after a stock split in high profile companies on the Indonesia Stock Exchange, which is equal to 0.012, so there is a significant difference in stock returns. The hypothesis that says there are differences in stock returns before and after a stock split in high profile companies is accepted.

There is no difference in stock returns before and after a stock split in low profile companies. This is evidenced by the asymp value. sig (2-tailed) has a value of > 0.05 in stock returns before and after a stock split in low profile companies on the Indonesia Stock Exchange, which is 0.257, so there is no significant difference in stock returns.

The fourth hypothesis which says there are differences in stock returns before and after a stock split in low profile companies is rejected.

There is no difference in abnormal stock returns before and after a stock split in high profile companies. This is evidenced by the asymp value. sig (2-tailed) has a value of > 0.05 in the abnormal return before and after the stock split in high profile companies on the Indonesia Stock Exchange which is equal to 0.086, so there is no significant difference significant on stock abnormal returns. The fifth hypothesis which says there are differences in abnormal stock returns before and after a stock split in high profile companies is rejected.

There is no difference in abnormal stock returns before and after a stock split in low profile companies. This is evidenced by the asymp value. sig (2-tailed) has a value of > 0.05 in the abnormal return before and after a stock split in low profile companies on the Indonesia Stock Exchange, which is 0.652, so there is no significant difference in abnormal stock returns. The sixth hypothesis which says there are differences in abnormal stock returns before and after a stock split in low profile companies is rejected.

There are differences in stock prices after the stock split in high profile and low profile companies. This is evidenced by the asymp value. sig (2-tailed) has a value of <0.05 at the stock price after the stock split in high profile and low profile companies on the Indonesia Stock Exchange, which is 0.000, so there is a significant difference in stock prices. The seventh hypothesis which says there is a difference in stock prices after the stock split in high profile and low profile companies is accepted.

There is no difference in stock returns after the stock split in high profile and low profile companies. This is evidenced by the asymp value. sig (2-tailed) has a value of > 0.05 in stock returns after a stock split in high profile and low profile companies on the Indonesia Stock Exchange, which is 0.314, so there is no significant difference in stock returns. The eighth hypothesis which says there are differences in stock returns after a stock split in high profile and low profile companies is rejected.

There is no difference in abnormal returns after a stock split for high profile and low profile companies. This is evidenced by the asymp value. sig (2-tailed) has a value of > 0.05 in the abnormal stock return after a stock split in high profile and low profile companies on the Indonesia Stock Exchange, which is 0.486, so there is no significant difference in abnormal stock returns. The ninth hypothesis which says there is a difference in abnormal returns after a stock split in high profile and low profile companies is rejected.

Suggestion

Based on the research above, suggestions that can be given are as follows:

Suggestions to investors see that there is no significant difference in both stock returns and abnormal stock returns between before and after the stock split, so investors should not make short-term trading or investment decisions so that stock investments made can be more profitable.

Suggestions for future researchers are expected to be able to increase the number of samples so that they will get more accurate and significant results. In addition, future researchers are expected to use other calculation models in calculating abnormal returns,

as well as testing stock returns on low profile companies before and after a stock split to find out why these companies have no difference in stock returns compared to high profile companies.

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