

## **ABSTRACT**

*The manufacturing industry is an economic activity that transforms a basic goods into finished goods. The manufacturing industry is a major growth engine as well as to provide employment for many people, the manufacturing industry is one industry that has a major contribution in providing foreign exchange. Besides the development of the manufacturing industry have a direct impact on the competitiveness of nations.*

*This research aims to determine significant differences in the variables before and after event of a stock split (study on manufacturing companies listed in Indonesian stock exchange period 2010-2015). Variables that used in this research is the abnormal return.*

*This research is a descriptive comparative research. The objects that used in this research is manufacturing companies listed in Indonesia Stock Exchange 2010-2015 period. The research using data sample was selected through a purposive sampling techniques. From all of the population that used to be sample, acquired 20 companies that researched for 6 years, from 2010 to 2015. This research using a technique Paired Sample Test.*

*The results using a paired sample test technique shows that there were significant differences in the abnormal return before and after event of a stock split (study on manufacturing companies listed in Indonesian stock exchange period 2010-2015).*

*The next research can expand the research object, using a longer period of time and add other variables such as Bid-Ask Spreads and Trading Volume Activity. For investors or market participants are expected to be fast and responsive in processing the information received like a stock split and a good understanding of the conditions of the prospective companies that would be used as a means of investment. For issuers are expected to improve the spread of information regarding the corporate action will do.*

**Keywords:** *Abnormal return, and Stock Split*