

## ABSTRACT

*The selection of shared to invest by investors is increasingly widespread, the goal it to get abnormal return. Increased interest in capital market products, namely stocks can be seen through the growth in the number of investors in Indonesia which increases every year. The existence of new information on the capital market will influence the decisions of investors, one of the available information is corporate action, namely a stock split. With the stock split, it will have an impact on the lower share price so that it will be easily accessible to small investors which have an impact on stocks that become more liquid. Therefore, it is necessary to do research on the presence or absence of liquidity and abnormal returns.*

*This study was conducted to determine whether there are differences in abnormal return and trading volume activity before and after corporate actions, namely stock split. The data used is secondary data obtained from Indonesia Stock Exchange (IDX) and Yahoo Finance. In the study, 20 companies that conducted a stock split in 2017 were listed on the IDX and used the event study approach with the observation period 5 days before, one day during and 5 days after the announcement of the stock split. Then, this study uses a paired t-test sampling method.*

*The results of testing the data showed no significant difference in the average stock liquidity and there's a significant difference abnormal returns before and after the stock split. Thus, investors should pay attention to the policies that will be issued by the company such as the stock split, because there is a possibility that significant liquidity and abnormal returns will emerge.*

*Keywords: Stock split, Trading Volume Activity, Abnormal Return*