MARKET REACTIONS TO DIVIDEND ANNOUNCEMENTS ON THE FORMATION OF SHARE PRICES IN THE CONTEXT OF PT MIDI UTAMA INDONESIA'S RIGHTS ISSUE

UNDERGRADUATE THESIS
Submitted as one of the requirements to obtain
Sarjana Akuntansi

By:

CATHERINE WIJAYA

008202000037

FACULTY OF BUSINESS

ACCOUNTING STUDY PROGRAM

CIKARANG

JANUARY, 2024

PLAGIARISM CHECK RESULT

MARKET REACTION TO DIVIDEND ANNOUNCEMENT ON THE FORMATION OF SHARE PRICES IN THE CONTEXT OF PT MIDI UTAMA INDONESIA'S RIGHT ISSUE

MARKET REACTIONS TO DIVIDEND ANNOUNCEMENTS ON THE FORMATION OF SHARE PRICES IN THE CONTEXT OF PT MIDI UTAMA INDONESIA'S RIGHTS ISSUE.pdf

ORIGINALITY REPORT

14%	9%	6%	7%
SIMILARITY INDEX	INTERNET SOURCES	PUBLICATIONS	STUDENT PAPERS

PRIMARY SOURCES

1	Submitted to Bellevue Public School Student Paper	2%
2	Zarah Puspitaningtyas. "Empirical evidence of market reactions based on signaling theory in Indonesia stock exchange", Investment Management and Financial Innovations, 2019 Publication	2%
3	business-law.binus.ac.id Internet Source	<1%
4	www.ojk.go.id Internet Source	<1%
5	journal.stiepertiba.ac.id Internet Source	<1%
6	learnbusinessconcepts.com Internet Source	<1%
7	journal.ibs.ac.id Internet Source	<1%

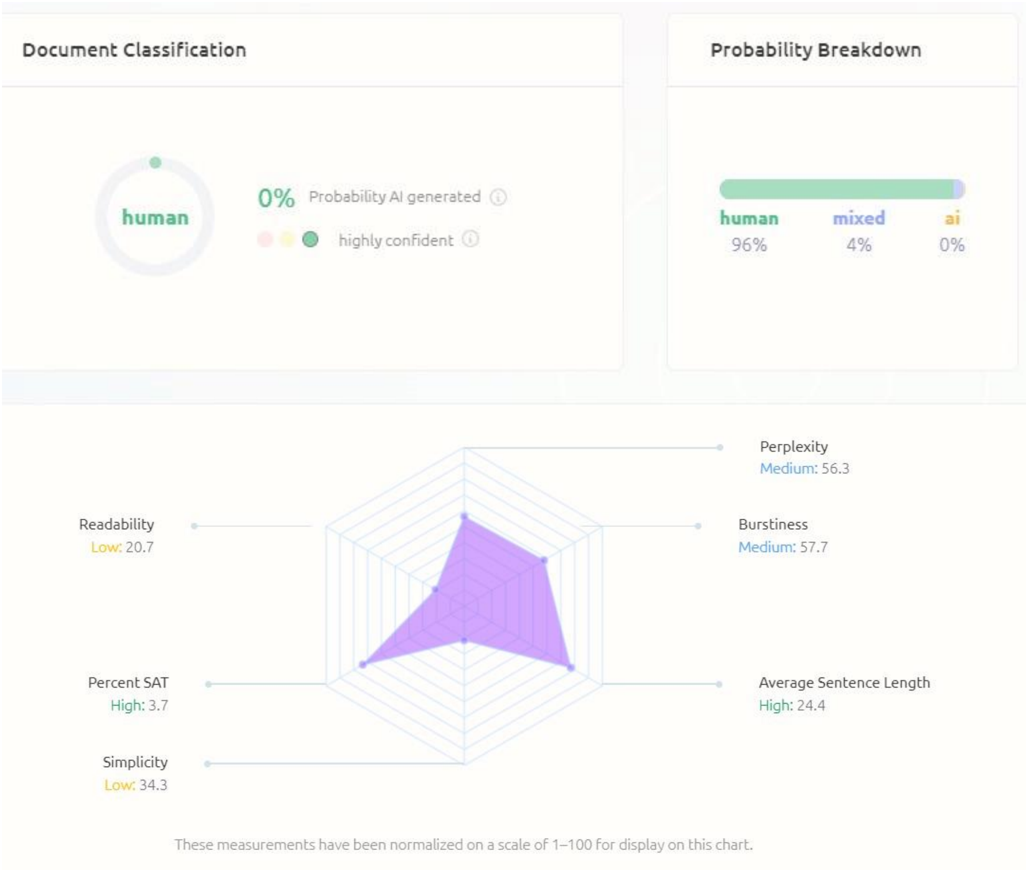
Document Classification
human
0% Probability AI generated
highly confident
Probability Breakdown
human 96%
mixed 4%
ai 0%
Perplexity
Medium: 56.3
Burstiness
Medium: 57.7
Average Sentence Length
High: 24.4
Readability
Low: 20.7
Percent SAT
High: 3.7
Simplicity
Low: 34.3
These measurements have been normalized on a scale of 1–100 for display on this chart.

TABLE OF CONTENTS

LIST OF FIGURES

LIST OF TABLES

ABSTRACTS

This research aims to determine the information in the form of dividends provides positive or negative reactions to the market as indicated by changes in share prices and the formation of share prices based on market reactions. Researchers use abnormal returns as an indicator in measuring market reactions to dividend announcements. this research uses time series sampling technique to capture the temporal dynamics surrounding key events. The sample used in this research is all the stock price before, during, after dividend announcements until one day before right issue of PT Midi Utama Indonesia in 2023. The results of this research show that there are differences in abnormal returns before and after the dividend announcement. Average Abnormal Return before the dividend announcement indicates the market reaction before the dividend was negative and Average Abnormal Return after the dividend announcement indicates the market reaction after the dividend was positive. Positive market reaction after dividend announcement shows that investors respond to the event by increasing share prices, so dividend announcements influence the formation of rights issue share prices.

Keywords: *Abnormal Return, Event Study, Dividend Announcement, Right Issue*

INTISARI

Penelitian ini bertujuan untuk bertujuan untuk mengetahui informasi berupa dividen akan memberikan reaksi positif atau negatif terhadap pasar yang ditunjukkan dengan perubahan harga saham dan pembentukan harga saham berdasarkan reaksi pasar. Peneliti menggunakan *abnormal return* sebagai indikator dalam mengukur reaksi saham terhadap pengumuman dividen. Penelitian ini menggunakan teknik pengambilan sampel *time series* untuk menangkap dinamika temporal di sekitar peristiwa-peristiwa penting. Sampel yang digunakan dalam penelitian ini adalah seluruh harga saham sebelum, saat, setelah pengumuman dividen hingga sehari sebelum right issue PT Midi Utama Indonesia pada tahun 2023. Hasil penelitian ini menunjukkan bahwa terdapat perbedaan abnormal return sebelum dan sesudah pengumuman dividen. Rata-rata *Abnormal Return* sebelum pengumuman dividen menunjukkan reaksi pasar sebelum dividen negatif dan Rata-rata *Abnormal Return* setelah pengumuman dividen menunjukkan reaksi pasar setelah dividen positif. Reaksi pasar yang positif setelah pengumuman dividen menunjukkan bahwa investor merespon peristiwa tersebut dengan menaikkan harga saham, sehingga pengumuman dividen mempengaruhi pembentukan harga saham *right issue*.

Kata Kunci: *Abnormal Return, Event Study, Pengumuman Dividen, Right Issue*