TABLE OF CONTENTS

Page

Thesis Originality Declaration……... iii

Acknowledgement…….. iv

Abstract……... vii

Table of Contents……... viii

Table of Table……..... xi

Table of Figure……... xii

Table of Appendix…….. xiii

CHAPTER I INTRODUCTION…… 1

1.1 Background…….. 1

1.2 Problem Formulation……..... 5

1.3 Contribution……. 6

1.4 Research Systematic…… 7

CHAPTER II THEORETICAL REVIEW……. 9

2.1 Theoretical Review…….. 9

2.1.1 Signaling Theory…….. 9

2.1.1 Efficient Market Hypothesis……..... 9

2.1.3 Event Studies……..... 12

2.1.4 Abnormal Return…….. 16

2.2 Previous Research……... 18

ADLN - Perpustakaan Universitas Airlangga

2.3 Research Hypothesis…….. 22

2.3.1 Average Abnormal Return Around Candidate Announcement…….. 23

2.3.2 Cumulative Abnormal Return Around Candidate Announcement…….. 23

2.3.3 Average Abnormal Trading Volume Around Candidate Announcement…… 24

2.3.4 Average Abnormal Return Around Presidential Election Result……... 24

2.3.5 Cumulative Abnormal Return Around Presidential Election Result…….. 25

2.3.6 Average Abnormal Trading Volume Around Presidential Election Result…….. 25

2.3.7 Different Reaction Between Around the Announcement of Candidate and the Announcement of Winner…….. 26

2.4 Analytical Model……. 27

CHAPTER III RESEARCH METHODOLOGY……..... 28

3.1 Research Approach…….. 28

3.2 Variable Identification……. 28

3.3 Operational Definition……. 28

3.4 Type and Source of Data……. 30

3.5 Data Collection Method…….. 31

3.6 Data Analysis Technique……. 32

CHAPTER IV RESULT AND DISCUSION……. 35

4.1 General Description of Research Subject and Object……..... 35

4.2 Description of Research Result……..... 35

4.3 Analytical Model and Hypothesis Test……... 38

4.3.1 Data Distribution T-test…… 38

4.3.2 Hypothesis Test…… 39

4.4 Discussion…… 48

CHAPTER V CONCLUSION AND SUGGESTION……... 53

5.1 Conclusion……... 53

5.2 Suggestion……... 54

References……..... 55

Appendix……..... 58

TABLE OF TABLES

Page

Table 3.1 Estimation and Event Period…… 28

Table 4.1 Sample Selection Table…… 35

Table 4.2 Statistical Descriptive for AAR……... 36

Table 4.3 Statistical Descriptive for CAR……... 37

Table 4.4 Statistical Descriptive for AATV……. 37

Table 4.5 One-Sample Kolmogorov- Smirnov Test…… 38

Table 4.6 One- Sample Test for H1..……... 40

Table 4.7 One-Sample Test for H2..……... 41

Table 4.8 One- Sample Test for H3..……... 42

Table 4.9 One- Sample Test for H4……..... 43

Table 4.10 One-Sample Test for H5…… 44

Table 4.11 One-Sample Test for H6…… 45

Table 4.12 Test Statistics for H7a…… 46

Table 4.13 Test Statistics for H7b…… 46

Table 4.14 Test Statistics for H7c…… 47

Table 4.15 Summary of Hypothesis Test Result……. 48

TABLE OF FIGURES

Page

Figure 2.1 Efficiency Test from Information…… 13

Figure 2.2 Efficiency Test from Decision……. 14

Figure 2.3 Analytical Model…….. 27

Figure 4.1 AAR Around Candidate Announcement …… 39

Figure 4.2 AR Around Candidate Announcement…… 41

Figure 4.3 AATV Around Candidate Announcement……... 42

Figure 4.4 AAR Around Result Announcement……... 43

Figure 4.5 AR Around Result Announcement…….. 44

Figure 4.6 AATV Around Result Announcement……. 45

TABLE OF APPENDIX

Page

Appendix 1 List of Manufactures……... 58

Appendix 2 Statistical Data…… 62

Appendix 3 Statistical Descriptive……. 80

Appendix 4 Distribution Test……. 81

Appendix 5 Hypothesis Test……... 83