

ABSTRACT

The research aimed at knowing the impact of acquisition announcements on the volume and the stock return of public firms which is shown by there are not abnormal volume and return around the acquisition announcement date.

The samples in the research was 36 firms. They applied the acquisition announcement from 1993 to 1998. The examinations were tested for 5 days before and after the acquisition announcement. The samples were taken by using judgement sampling.

The technique of analysis used in the research is event study. To examine abnormal volume used abnormal volume test. Whereas abnormal return test used to examine the abnormal return. In addition, the test significance is based on the level $\alpha = 5\%$.

The results of the research indicate (1) there is no impact of acquisition announcement toward acquiring volume. It is reflected by there is no average abnormal volume that is significant around the acquisition announcement date. There is no significant impact, it might be caused by negative perception of investors toward the internal acquisition which is applied by most of the samples. (2) In the minus first day (-1), there is an impact in the acquisition announcement toward the acquiring return. Average abnormal return that is significant in the minus first day proves that it is more affected by the increased of abnormal return from the least part of samples. (3) In the connection with the information of publication about the acquisition plan, actually, Indonesian capital market has reached the semi strong form efficiency. It is reflected by there is no abnormal return which is significant at the moment and after the acquisition announcement.