UNIVERSITAS
GADJAH MADA
Market Reactions to Divestiture Announcements: An Empirical Study on the Indonesia Stock Exchange
Muhammad Gifari Muzafar, Prof. Dr. Tandelilin Eduardus, M.B.A.
Universitas Gadjah Mada, 2026 | Diunduh dari http://etd.repository.ugm.ac.id/

Table of Contents

VALIDITY SHEET i

PLAGIARISM FREE STATEMENT ii

PREFACE iii

TABLE OF CONTENTS v

LIST OF TABLES viii

LIST OF FIGURES viiii

LIST OF APPENDICES ixi

ABSTRACT x

CHAPTER I INTRODUCTION 1
1.1 Background 1
1.2 Problem Statement 5
1.3 Research Questions 5
1.4 Research Objectives 6
1.5 Research Contribution 6
1.6 Research Scope and Delimitations 7
1.7 Research Structure 7
CHAPTER II LITERATURE REVIEW 9
2.1 Theoretical Foundation 9
2.1.1 Divestiture 9
2.1.2 Signaling Theory 10
2.1.3 Type of Divestiture 11
2.1.4 Event Study 13
2.1.5 Abnormal Return 14
2.1.6 Cumulative Abnormal Return (CAR) 18
2.2 Literature Review 18
2.2.1 Market Reactions to Divestiture Announcements 18
2.2.2 Determinants of Market Reaction 19
2.3 Research Hypotheses 22
CHAPTER III RESEARCH METHOD 25
3.1 Research Design 25
3.2 Operational Definition of Variables 26

UNIVERSITAS
GADJAH MADA
Market Reactions to Divestiture Announcements: An Empirical Study on the Indonesia Stock Exchange
Muhammad Gifari Muzafar, Prof. Dr. Tandelilin Eduardus, M.B.A.
Universitas Gadjah Mada, 2026 | Diunduh dari http://etd.repository.ugm.ac.id/

3.3 Research Population and Sample 27
3.3.1 Population 27
3.3.2 Sample 27
3.4 Observation Period 29
3.5 Research Instrument 30
3.6 Data Analysis Method 31
3.6.1 Event Study 31
3.6.2 Cross-Sectional Regression 36
CHAPTER IV RESULTS AND DISCUSSION 38
4.1 Event Study Results 38
4.1.1 Descriptive Statistics 38
4.1.2 Normality Test Results 39
4.1.3 Calculation Results and Significance Test of AAR and CAAR 40
4.1.4 Hypothesis 1 (H1) Testing Summary 42
4.2 Cross-Sectional Regression Results 43
4.2.1 Descriptive Statistics 43
4.2.2 Classical Assumption Test Results 44
4.2.3 Cross-Sectional Regression Results 46
4.2.4 Hypothesis 2 (H2a-H2d) Testing Summary 47
4.3 Discussion 48
4.3.1 Event Study 48
4.3.2 Cross-Sectional Regression 50
CHAPTER V CONCLUSION 52
5.1 Conclusion 52
5.2 Implication 53
5.3 Limitation 53
BIBLIOGRAPHY 55
APPENDIX 58