ABSTRACT

The purpose of this research about analysis on the impact of stock trading volume and stock return on bid-ask spread stock is to identify the impact happens between stock trading volume and stock return on bid-ask spread stock in banking industry during the period of 2005 until 2009 which involves 13 banks that are listed in BEI. The analysis is done using linear regression method, F-test, t-test and under classical assumption.

The result of this research shows that the first and second hypotheses are accepted. First hypothesis shows that stock trading volume have a negative impact on stock bid-ask spread, and the result also shows that there is a negative impact between stock trading volume on bid-ask spread stock. Second hypothesis shows that there is negative impact between stock return on bid-ask spread stock, and the result from this research is that there is a negative impact between stock return on bid-ask spread stock.

Key words: Stock trading volume, stock return, bid-ask spread, and multiple linear regression method.