



## TABLE OF CONTENTS

TITLE PAGE.....	i
ACKNOWLEDGEMENT .....	ii
RATIFICATION.....	iii
STATEMENT OF WORK ORIGINALITY.....	iv
PREFACE .....	v
TABLE OF CONTENTS.....	vii
LIST OF TABLES .....	ix
LIST OF APPENDICES .....	xi
INTISARI.....	xii
ABSTRACT.....	xiii
<b>CHAPTER I: INTRODUCTION .....</b>	<b>1</b>
1.1 Background .....	1
1.2 Problem Statement .....	4
1.3 Research Questions .....	4
1.4 Research Objectives .....	5
1.5 Contribution of the Research.....	5
1.6 Writing Framework .....	6
<b>CHAPTER II: LITERATURE REVIEW AND HYPOTHESIS DEVELOPMENT .....</b>	<b>7</b>
2.1 Literature Review .....	7
2.1.1 Efficient Market Hypothesis (EMH).....	7
2.1.1.1 Weak form efficiency .....	7
2.1.1.2 Semi-strong form efficiency .....	8
2.1.1.3 Strong form efficiency .....	8
2.1.2 Market Anomaly .....	8
2.1.2.1 January effect.....	9
2.1.2.2 Day of the week effect .....	9
2.1.2.3 Small firm effect .....	9
2.1.2.4 Overreaction.....	9
2.1.2.5 Mean Reversion .....	10
2.1.3 Availability heuristic in behavioral finance .....	10
2.1.3.1 Frequency of Repetition.....	11
2.1.3.2 Frequency of Co-occurrence.....	11



2.1.3.3	Illusory Correlation .....	11
2.2	Prior Studies and Hypothesis Development .....	12
<b>CHAPTER III: RESEARCH METHOD .....</b>		<b>15</b>
3.1	Research Design .....	15
3.2	Population and Sample .....	16
3.3	Data Collection Technique .....	18
3.4	Operational Variable .....	18
3.4.1	Stock Return (SR) .....	18
3.4.2	Abnormal Market-Adjusted Return (AR) .....	19
3.4.3	Average Abnormal Market-Adjusted Return (AAR).....	19
3.5	Hypothesis Testing Model.....	19
3.6	Data Analysis Technique.....	22
<b>CHAPTER IV: DATA ANALYSIS .....</b>		<b>23</b>
4.1	Data Description.....	23
4.1.1	Descriptive statistics .....	23
4.1.2	Normality .....	27
4.2	Hypothesis Testing .....	28
4.3	Discussion .....	37
<b>CHAPTER V: CONCLUSION AND RECOMMENDATION.....</b>		<b>40</b>
5.1	Conclusion .....	40
5.2	Research Limitations .....	41
5.3	Recommendations .....	42
<b>REFERENCES.....</b>		<b>43</b>
<b>APPENDICES .....</b>		<b>45</b>



## LIST OF TABLES

Table 3.1 Variable Description.....	20
Table 3.2 Post-Event Time Frame.....	21
Table 4.1 Descriptive Statistics of Abnormal Market-Adjusted Returns (AR) after Large Stock Price Movements in LQ45 Stocks, Identified Using Stock Returns (SR).....	24
Table 4.2 Descriptive Statistics of Abnormal Market-Adjusted Returns (AR) after Large Stock Price Movements in LQ45 Stocks, Identified Using Abnormal Market-Adjusted Returns (AR).....	25
Table 4.3 Descriptive Statistics of Abnormal Market-Adjusted Returns (AR) after Large Stock Price Movements in PEFINDO25 Stocks, Identified Using Stock Returns (SR).....	26
Table 4.4 Descriptive Statistics of Abnormal Market-Adjusted Returns (AR) after Large Stock Price Movements in PEFINDO25 Stocks, Identified Using Abnormal Market-Adjusted Returns (AR).....	27
Table 4.5 Average Abnormal Market-Adjusted Returns (AAR) (%) after Large Stock Price Increases in LQ45 Stocks, Identified Using Stock Returns (SR).....	29
Table 4.6 Average Abnormal Market-Adjusted Returns (AAR) (%) after Large Stock Price Increases in LQ45 Stocks, Identified Using Abnormal Market-Adjusted Returns (AR).....	30
Table 4.7 Average Abnormal Market-Adjusted Returns (AAR) (%) after Large Stock Price Decreases in LQ45 Stocks, Identified Using Stock Returns (SR).....	31
Table 4.8 Average Abnormal Market-Adjusted Returns (AAR) (%) after Large Stock Price Decreases in LQ45 Stocks, Identified Using Abnormal Market-Adjusted Returns (AR).....	32
Table 4.9 Average Abnormal Market-Adjusted Returns (AAR) (%) after Large Stock Price Increases in PEFINDO25 Stocks, Identified Using Stock Returns (SR).....	33
Table 4.10 Average Abnormal Market-Adjusted Returns (AAR) (%) after Large Stock Price Increases in PEFINDO25 Stocks, Identified Using Abnormal Market-Adjusted Returns (AR).....	34



Table 4.11 Average Abnormal Market-Adjusted Returns (AAR) (%) after Large Stock Price Decreases in PEFINDO25 Stocks, Identified Using Stock Returns (SR).....	35
Table 4.12 Average Abnormal Market-Adjusted Returns (AAR) (%) after Large Stock Price Decreases in PEFINDO25 Stocks, Identified Using Abnormal Market-Adjusted Returns (AR).....	36



## LIST OF APPENDICES

Appendix 1. Normality Test Using SPSS.....	45
Appendix 2. One Sample T-Test Using SPSS.....	50
Appendix 3. Independent Sample T-Test Using SPSS.....	61