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**A STUDY ON :
THE IMPACT OF BONUS ISSUES
ANNOUNCEMENTS ON STOCKS PRICES**

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ABSTRACT

THE IMPACT OF BONUS ISSUES ANNOUNCEMENTS ON STOCK PRICES

This study is to examine the impact of bonus issues announcements on stock prices. This can be seen by comparing the price movement before and after the announcement of the bonus issues. It can be clearly pictured by looking at the graph thirty days before and thirty days after the announcements date.

Beta is use to indicate whether the behavior of the stock prices at that period is influenced by the market or other elements, for example bonus issues. The study also looked at the total returns of the stocks and the markets and compared the relative strength between them.

In the analysis, it was found that the prices of the stock are only reflected to their own course but not related with the movement of the market. This movement are influenced by the bonus issues announcements of the company.

And as the result, after comparing the stocks returns and the market returns it could be concluded that, the stocks returns after the X - date are higher.

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