

This study aimed to analyze the effect of dividend announcement on stock price changes at the companies listed in Indonesia Stock Exchange , with a sampling of 38 stocks of companies listed on the Indonesia Stock Exchange . The study period consisted of 11 days ie 5 days before the ex - dividend date ($t - 5$) , 5 days after the ex - dividend date ($T + 5$) and the ex - dividend date was announced ($t - 0$) .The method used in this research study is the event that will observe the movement of stock prices in the capital market . To examine the price reaction tests abnormal stock returns during the event period of 11 days . In this study the stock price is represented by the JCI . Analysis of the balance computation method Capital Asset Pricing Model (CAPM) .

The results of this study indicate the 5% significance level there are 2 working days resulted in levels of positive abnormal returns prior to the event date ie on day 5 before the event date by 0.0035 , or approximately 3 % and on day 4 before the event date amounted to 0 , 0040 , or about 4 % . On day 3 , to 2 and to 1 before the event date does not generate positive abnormal returns . At the moment it does not give a date evnt abnormal return means also . While at the time after the event date abnormal returns exchanges do not give negative or not shall mean even on day 5 after the event date stock price dropped sharply.

From the results of the study concluded that a dividend information react positively to changes in stock prices at the time before the ex - dividend date and dividend payment information to react negatively to the stock price at the time after the ex - dividend date .