**The Effect Of State Budget Ratification And Expenditure On The Indonesian Capital Market (Empirical Study On The LQ 45 Index Shares)**

**Agus Bandiyono1, Priska Amalia2**

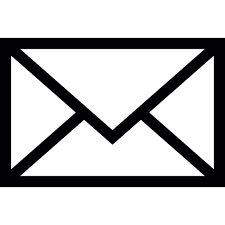
1Politeknik Keuangan Negara STAN

Tangerang Selatan, Banten, Indonesia

2Badan Kebijakan Fiskal

Kementerian Keuangan, Indonesia

|  |
| --- |
| **Article history:** |

 Corresponding Author:

**Name author**: Agus B

Tel. 085767616660

E-mail: agusbandiyono@pknstan.ac.id

**Abstract**

The main objective of the study was to analyze the reaction of the capital market towards ratification of the State Budget (APBN) using the event study method. The population in this study are all listed companies in the LQ45 index on the Indonesia Stock Exchange during the period 2009 to 2018, totaling 101 issuers with a sample of 17 issuers through a purposive sampling technique. The analysis technique is to use paired samples t-test five days before and five days after the ratification of the State Budget (APBN). The results showed that most ratification events did not have a significant difference in the average abnormal return and the average trading volume activity between before and after the event. The absence of significant differences is due to market participants already anticipating the information contained in the event of ratification at the initial stage of its preparation.

**Keywords:** APBN; capital market reactions; event studies; financial accounting

**JEL Classification:** D13, I31, J22\*

\* Authors should add 1- 3 JEL classification numbers. An information guide for the Journal of Economic Literature *(*JEL) can be found at <https://www.aeaweb.org/jel/guide/jel.php>

https://docs.google.com/a/unmer.ac.id/drawings/d/sBjpyGcB6ezXzevUNDf-hOg/image?w=174&h=32&rev=1&ac=1&parent=1zCiwVZwlStrxxVb3LpjmOyG-ZmM_NB41IMclXu3expY

1. **Introduction**

On 31 October 2018, the government together with the House of Representatives (DPR) approved the State Revenue and Expenditure Budget (APBN) for the 2019 budget year. In the APBN, the government took the big theme "APBN to Encourage Investment and Competitiveness through Development (Investment) Human Resources (HR) ". This theme will be realized through the three main strategies of the State Budget, namely (1) realistic revenue mobilization while maintaining the investment climate, (2) increasing the quality of spending to be more productive and effective by strengthening value for money to support priority programs including education and health, and (3) encourage efficiency and innovation in financing. With these three strategies, the APBN is not only effective as an instrument to achieve inclusive economic growth, but also has the resilience and ability to anticipate and respond appropriately to the dynamics of national and global economic developments at hand.

The government budget reflects the estimated future expenses and revenues that will predict the economic and financial situation of the country (Oliveira, 2014). The announcement of the budget may be an event that is eagerly awaited by many parties. Fiscal issues, such as taxes, spending, and fiscal deficits, are important in macroeconomics. Moreover, governments often prefer budget announcements as a mechanism to announce important new policy initiatives and outline some economic policy plans for the next few months. General empirical studies show that capital market activity tends to be heavily influenced by government budgets. The capital market response to the budget is often viewed as a statistical summary of the quality of the budget in order to promote economic improvement (Thomas and Shah, 2002).

The Indonesian Government Budget hereinafter referred to as the State Revenue and Expenditure Budget (APBN), is often a means of communication for the government to inform its policies to the public. In President Susilo Bambang Yudhoyono's administration for the 2010–2014 period, the 2011 State Budget provided information regarding the gradual reduction of electricity subsidies. Meanwhile, the 2016 State Budget which was passed during the administration of President Joko Widodo provides information related to the health budget allocation policy of five percent in accordance with the mandate of Law Number 36 of 2009.

Information related to economic budgets and policies conveyed in government budget documents can stimulate or weaken the price of the shares of companies listed on the stock exchange. As a consequence, the reaction of investors on the stock exchange will depend on the impact of budget policy on the industry (Edirisinghe, 2017). If the government budget predicts the economy will be good in the next year, the company's revenue and dividend growth forecasts will increase, thus pushing up share prices. Conversely, share prices will decline if the country's economic forecast for the next year is bad (Oliveira, 2014). This is of course closely related to the signal theory (signaling theory) which explains how signals from information can influence price changes in the capital market.

The content of information in the capital market is also explained in the efficient market concept popularized by Fama in 1970. In this concept, it is stated that the prices formed in the market are a reflection of existing information. In other words, in an efficient market, the prices of assets and securities quickly and completely reflect the information available on these assets and securities. Based on the semi-strong efficient market hypothesis, the price created in the market is not only a reflection of historical prices but also occurs because of information on the market, including financial reports and other additional information (Gumanti and Utami, 2004).

The market reaction in the efficient market concept can be analyzed through the study of events. An event study is a study that analyzes the abnormal yields that may occur around an event (Manurung, 2005). The event study analyzes the market reaction to an event by testing its information content. If the market reacts when information from an event is received by the market, it can be said that the event contains sufficient information. Market reactions occur if there is a change in the price of the security concerned by measuring the return or abnormal return (Saraswati and Mustanda, 2018).

The information content that is tested is related to conditions or situations that are considered relevant to the share price assessment, whether it is official news or issues. Information that causes reactions in the capital market and affects stock price fluctuations does not only come from information on economic conditions but can also come from non-economic factors such as legal, social events to domestic political turmoil that affect stock price movements on the stock exchange. effects (Saraswati and Mustanda, 2018).

Not only do capital market investors need to pay close attention to stock price movements due to the effects of an event, but the government also needs to carry out deeper monitoring in accordance with government functions CQ. The Ministry of Finance is described in the Minister of Finance Regulation Number 212 / PMK.01 / 2017 concerning Amendments to the Minister of Finance Regulation Number 234 / PMK.01 / 2015 concerning the Organization and Work Procedures of the Ministry of Finance. Article 5 of the regulation states that one of the functions of the Ministry of Finance is to formulate, determine, and provide recommendations for fiscal and financial sector policies. Furthermore, Law Number 9 of 2016 concerning Financial System Crisis Prevention and Management states that the Minister of Finance acts as a coordinator and concurrently a member of the Financial System Stability Committee (KSSK). KSSK itself has the task of preventing and resolving financial system crises which include coordinating monitoring and maintaining financial system stability, handling financial system crises, and handling systemic bank problems.

This research was conducted to examine the effect of ratification of the State Budget and Revenue and Expenditure (APBN) on the Indonesian capital market by looking at the abnormal return and trading volume activity before and after the event occurred. The scope of this research is limited to: The listed companies are listed on the Indonesia Stock Exchange and are included in the LQ45 index for the period February 2009 to January 2019. The LQ45 index is used as a sample because it has high liquidity so that investors react to the information presented. appears to be directly reflected in the price of these shares; The events for ratifying the State Revenue and Expenditure Budget (APBN) to be examined are the ratification of the State Budget for the 2010-2019 fiscal year; and The observation period is carried out for 41 trading days which are divided into two periods, namely a 30 day estimation period and an 11 day window period (event window/event period). The estimation period is carried out on h-30 to h-6 events, while the window period is carried out on h-5 to h + 5 events.

The objectives to be achieved from this research are as follows: To examine any abnormal returns surrounding the ratification of the State Revenue and Expenditure Budget (APBN); Analyze whether there is a market reaction as seen from the abnormal return before and after the event of the ratification of the State Revenue and Expenditure Budget (APBN); Analyze whether there is a market reaction seen from the trading volume activity before and after the event of the ratification of the State Budget (APBN).

1. **Hypotheses Development**
   1. **Signaling Theory**

Information is needed by market players because it can provide an overview of the state of a market, both in the past and in the future. Complete, accurate, and timely information can help market participants make an investment decision. Basically, information can provide a signal, both positive and negative, through the market reaction to that information. Information is closely related to signal theory (signaling theory). The signaling theory was developed to help explain how decision-makers interpret and respond to incomplete and asymmetrical distributed information in a transaction (Spence, 1973). Signaling theory provides a basis for predicting the reaction of the capital market to information or events that occur.

* 1. **Market Efficiency Concept**

Fama (1970) coined the term efficient market as a market that adjusts quickly to the presence of new information. Furthermore, an efficient market is a market in which all prices in that market reflect the available information based on the assumption that there are no transaction costs in securities trading, information is available at no cost to all market participants, and there is agreement on the implications of current information on prices. current and future price distribution.

* 1. **Capital Market**

In-Law Number 8 of 1995 concerning Capital Market, it is stated that the capital market is an activity related to public offerings and securities trading, public companies related to the securities they issue, as well as institutions and professions related to securities. Jogiyanto (2017: 29) states that the capital market is a company means to increase long-term funding needs. In order to attract buyers and sellers to participate, the capital market must be liquid and efficient. A capital market is said to be liquid if sellers can sell and buyers can buy securities quickly. The capital market is said to be efficient if the prices of these securities reflect the firm's value accurately.

* 1. **Concept of Event Study**

Event study measures the relationship of events that affect securities and returns from these securities (Kritzman, 1994). This study is often used to test the efficient market hypothesis. Meanwhile, MacKinlay (1997) states that event studies measure the impact of certain events on firm value by using financial market data. Manurung (2005) defines an event study as an event study that analyzes the abnormal yields that may occur around an event.

* 1. **State Revenue and Expenditure Budget (APBN)**

Law Number 17 of 2003 concerning State Finance defines the State Revenue and Expenditure Budget (APBN) as the annual financial plan of the state government approved by the House of Representatives (DPR). The APBN is prepared based on the government's work plan as well as the macroeconomic framework and the principles of fiscal policy as discussed and mutually agreed upon, both in preliminary talks and in the first-level talks between the government and the House of Representatives.

* 1. **Return**

Return is the result obtained from an investment. Returns can be in the form of realized returns that have occurred or expected returns that have not occurred but are expected to occur in the future. Realized return is calculated using historical data and is an important performance measurement tool for the company. Realized return is also useful as a basis for determining future risk and expected returns. (Jogiyanto, 2017: 283). Meanwhile, the expected return is the return expected by investors in the future on the investment made. This return is used for investment decision making (Jogiyanto, 2017: 300).

* 1. **Abnormal Return**

Event study analyzes the abnormal return of securities that may occur around the announcement of an event. Jogiyanto (2017: 667) defines abnormal return as the excess of the return that actually occurs against the expected return (normal return). Brown and Warner (1985) estimate expected returns using three estimation models. The three models, namely the mean-adjusted model, market model, and market-adjusted model.

* 1. **Trading Volume Activity**

Stock trading volume is an indicator of market reaction to an announcement. Trading Volume Activity (TVA) is an instrument that can be used to see the capital market's reaction to information through the stock trading volume parameter. The calculation of TVA is carried out by comparing the number of shares of a company that are traded in a certain period with the total number of outstanding shares of the company during the same period (Suryawijaya and Setiawan, 1998).

Several researchers have conducted research related to the reaction of the capital market to the approval of the government budget through an event study analysis. In a study conducted by Oliveira (2014), observations were made on the effect of publication, approval, and action in the government budget on the performance of the capital market in Portugal. The samples taken in this study were 46 companies listed in the PSI 20 index in the observation period from 1998 to 2013. Using OLS regression, the results obtained are that there is a significant return in the observation period H-10 to H + 10. that is, when the budget proposal is published for discussion. However, the budget approval event did not have a significant impact on the capital market.

Nascimento (2015) conducted a study on the impact of publication and budget approval of the United States Federal Government on stock returns of the 500 largest companies in the country or those listed in the S & P500 Index. By using daily stock closing price data from 4 January 2002 - 30 September 2012 and 11 events of publication and budget approval, Nascimento used the Ordinary Least Squares (OLS) methodology and event study analysis. The results of his research show that the budget approval event does not affect the return of the capital market because market players have anticipated it long before the event occurs. However, Nascimento stated that the budget and stock returns have an important relationship for the US economy even though the reactions given between the sectors are not the same.

* 1. **Framework**

Oliveira's(2014) states that the government budget reflects the estimated future expenses and revenues that will predict the country's economic and financial situation. This budget-related announcement is certainly an event that is eagerly awaited by the public. Moreover, governments often prefer budget announcements as a mechanism to announce important new policy initiatives and outline some economic policy plans for the next few months.

General empirical studies show that capital market activity tends to be heavily influenced by government budgets. The capital market response to the budget is often viewed as a statistical summary of the quality of the budget in order to promote economic improvement (Thomas and Shah, 2002). Information related to budgets and economic policies conveyed in government budget documents can stimulate or weaken the price of shares of companies listed on the stock exchange. As a consequence, the reaction of investors on the stock exchange will depend on the impact of budget policy on the industry (Edirisinghe, 2017). Therefore, the author wants to see the effect of government budget approval on capital market movements in Indonesia.

* 1. **Research Hypothesis**

Based on data, theory, and previous research, the hypothesis in this study can be structured as follows.

H1: There is an abnormal return around the event of the ratification of the State Revenue and Expenditure Budget (APBN).

H2: There is a difference in the average abnormal return before and after the event of the ratification of the State Revenue and Expenditure Budget (APBN).

H3: There is a difference in the average trading volume activity before and after the event of the ratification of the State Revenue and Expenditure Budget (APBN).

1. **Method, Data, and Analysis**
   1. **Population and Sample**

In this study, the population was all companies included in the LQ45 index on the Indonesia Stock Exchange from 2009 to 2018, totaling 101 companies. Data regarding the company is obtained from the official website of the Indonesia Stock Exchange (www.IDX.co.id), Bloomberg, and Yahoo Finance. The sampling technique used *purposive sampling*, namely the population that will be used as the research sample is a population that meets certain criteria as determined by the researcher. The criteria used in sample selection are as follows.

1. These shares were consistently in the LQ45 index from 2009 to 2018;
2. The shares are actively traded during the observation period; and
3. Issuer shares do not take *corporate action* during the observation period in order to minimize *confounding effects*.
   1. **Operational Definition**

The independent variable in this study is the event of ratification of the State Budget (APBN) for Fiscal Year 2010 to APBN for Fiscal Year 2019 which will be ratified at the end of October 2018. Meanwhile, the dependent variable in this study is *abnormal return* and volume of stock trading. . The following is an explanation of each dependent variable.

1. ***Abnormal return***

Jogiyanto (2017: 667) defines *abnormal return* as the excess of the *return* that actually occurs against the *return* expected(*normal return*). Thus, the *abnormal return* can be formulated as follows.

Where:

|  |  |  |
| --- | --- | --- |
| RTN, t | = | *abnormal return* of securities I in event period t |
| Ri, t | = | *return* realization that occurred for securities I in the event t period |
| E [Ri, t] | = | *return* expected of securities I for the t event period |

1. ***Trading volume activity* (TVA)**

*Trading volume activity* (TVA) is an instrument that can be used to see the capital market reaction to information through stock trading volume parameters (Suryawijaya and Setiawan, 1998).

* 1. **. Data Processing**

1. **Analysis Technique Data**

Methodprocessing method is performed using the analysis *event study.* In general, the methodology *event study* follows the following procedure (Elton, 1995):

1. Collect a sample of companies that have an event that you want to research;
2. Specifies the exact day or date of the event as *event date* (t0);
3. Determine the research period (*event window*);
4. Observe the *return of* each sample company in each unit period;
5. Calculating the *abnormal return* of each company;
6. Calculating the average *abnormal return* for the entire sample in each unit period;
7. Calculate the *abnormal return* cumulative from the beginning of the period (if needed).

The model used to estimate *returns* expected is the *market model.* This model assumes that *returns* the expected stock and *returns* market have a linear relationship. This model also assumes that the *return* expected depends only on the systematic risk of the stock in question. The systematic risk of a stock (beta / β) shows how far the fluctuations in *returns are* stock influenced by fluctuations in *the returns* market.

The observation period in this study lasted 41 days, which was divided into an *estimation period* and an *event window/event period*. The estimation period used to determine the regression coefficient between α and β is 30 days. The window period is 10 days, consisting of t-5 (*pre-event*), t0 (*event-day*), t + 5 (*post-event*). Determination of the span of the window period in order to avoid *overlapping* between one event window period with another. Jogiyanto (2017, 22) states that the window period should not be too long or too short in order to be able to fully capture events and minimize *confounding effects*.

1. **Data Normality**

Test The data normality test aims to determine the statistical test that will be used in the study. If the data used is normally distributed, the test is carried out with the parametric *one-sample t-test.* If the data used is not normally distributed, the test used is the nonparametric test. The normality test used is the *Kolmogorov-Smirnov test.* With this test, it can be seen whether the observed sample value is in accordance with a certain distribution. Criteria that can be used is through a *two-tailed test*, namely by comparing the p-value obtained with a predetermined significance level. If the p-value is> 0.05, the data is normally distributed and if the p-value is <0.05, the data is not normally distributed.

1. **Hypothesis Testing The**

hypotheses in this study can be formulated as follows.

|  |  |  |
| --- | --- | --- |
| H1 | : | There is an *abnormal return* around the event of the ratification of the State Budget (APBN). |
| H2 | : | There is a difference in the average *abnormal return* before and after the event of the ratification of the State Revenue and Expenditure Budget (APBN). |
| H3 | : | There is a difference in the average *trading volume activity* before and after the event of the ratification of the State Revenue and Expenditure Budget (APBN). |

The three hypotheses can be accepted if count > table or probability <0.05. Testing for each of these hypotheses can be done through the following stages.

1. Hypothesis I

The stages to test whether there is an *abnormal return* at the time of the event are as follows (Jogiyanto, 2010).

1. Calculate *return* the real(actual return)per share

*Return* is actually a *return* that occurs when all of the difference t current prices relative to the previous price. If the current price (Pt) is higher than the price of the previous period (Pt-1), there will be a*gain*. Conversely, the loss (*loss*) occurs when the current price (Pt) is lower than the price of the previous period (Pt-1).

1. Calculating the *return* market

In this study, the *return* market used is to *return* the LQ45 index. The calculation is done by calculating the difference between the *return* indexesnow with *return* the period indexprevious against the *return* period index of the previous period.

1. Regressing *returns* daily stock to *returns* market

regression was performed to obtain the value of α and β for each stock that subsequently entered into the regression equation to obtain *return* the expected(expected return).

1. Calculate *the abnormal return* of each stock

*Abnormal return* is the difference between *returns* actual(actual return)which occurred with *return* the expected(expected return).

1. Calculating the *cumulative abnormal return for* each share.

*Cumulative abnormal return* (CAR) is the sum *of abnormal return* the previous days in the event period for each security.

1. Calculating the *average abnormal return of* each share

Testing for *abnormal returns is* generally not done for each marketable securities but is done in an aggregate manner by examining the average *abnormal return of* all securities *cross-sectional* for each day in the event period.

1. T significance test analysis The t significance

the test can be done either by using an application (for example the *one-sample t-test* in SPSS) or by comparing the *abnormal return* standardization with the root value of the stocks sampled.

1. Hypothesis II

Stages to test whether there is a difference in *average abnormal return* (AAR) before and after the event is as follows.

1. Calculating the *actual return* of each stock sampled during the observation period.
2. Calculate the *expected return* using the *market model*. In calculating the *expected return*, linear regression is performed *time series* over the estimation period to determine the alpha and beta of each stock.
3. Calculate the *abnormal return* of each stock from h-5 to h + 5.
4. Calculating the *average* *abnormal return* (AAR) of all stocks sampled before and after the event
5. Make a statistical comparison between *averages* *abnormal return* (AAR) before and after the ratification of the State Budget (APBN) using the *paired samples t-test* with a significance level of 5 percent.
6. Hypothesis III

Stages to test whether there is a difference in *average trading volume activity* (ATVA)before and after the incident is as follows.

1. Calculate the *trading volume activity* of each stock that is sampled during the window period.
2. Calculate *average trading volume activity* (ATVA) for all sampled stocks.
3. Make a statistical comparison of *average trading volume activity* (ATVA) before and after the event of the ratification of the State Revenue and Expenditure Budget (APBN)by using *paired samples t-test* with a significance level of 5 percent.
4. **Results**
   1. **Descriptive Statistical Analysis Descriptive**

statistical analysis for values *Averages Abnormal Return* (AAR)on the day of the ratification of the State Revenue and Expenditure Budget (APBN) is carried out directly using the SPSS application. The values *minimum, maximum, mean,* and *standard deviation* from the results of the analysis can be seen in the following table.

**Table 1. Descriptive Statistical Analysis *Average Abnormal Return* (AAR)**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **APBN** | ***Minimum*** | ***Maximum*** | ***Mean*** | ***Std.Deviation*** |
| 2010 State Budget | -0.016790 | 0.016665 | 0.001959 | 0.009515 |
| 2011 State Budget | -0.009826 | 0.006573 | 0.000171 | 0.005193 |
| 2012 State Budget | -0.009769 | 0.008584 | -0.000932 | 0.006153 |
| 2013 State Budget | - 0.007593 | 0.008188 | 0.000385 | 0.005154 |
| 2014 State Budget | -0.014076 | 0.010896 | -0.000175 | 0.008561 |
| 2015 State Budget | -0.014978 | 0.014588 | -0.000161 | 0.008008 |
| 2016 State Budget | -0.022304 | 0.015073 | -0.001334 | 0.010824 |
| 2017 State Budget | -0.002611 | 0.008613 | 0.001799 | 0.003297 |
| 2018 State Budget | -0.009648 | 0.016431 | 0.000983 | 0.007508 |
| 2019 State Budget | -0.016546 | 0.013951 | - 0.000631 | 0.008299 |

Source: Compiled by the author.

Descriptive statistical analysis for the *Average Abnormal Return* (AAR) valuebefore and after the event the State Revenue and Expenditure Budget (APBN) ratification is carried out directly using the SPSS application. The values *minimum, maximum, mean,* and *standard deviation* from the results of the analysis can be seen in the following table.

**Table 2. Descriptive Statistical Analysis of *Average Abnormal Return* (AAR)Before and After the Event of APBN Approval**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **APBN** |  | **N** | **Min** | **Max** | **Mean** | **Std. Deviation** |
| 2010 | Before | 5 | -0.008681 | 0.011457 | 0.002782 | 0.007962 |
| After | 5 | -0.005154 | 0.015550 | 0.000406 | 0.008586 |
| 2011 | Before | 5 | -0.002754 | 0.002678 | -0.000532 | 0.002442 |
| After | 5 | -0.006451 | 0.006829 | 0.000767 | 0.006347 |
| 2012 | Before | 5 | -0.009710 | 0.011610 | -0.000733 | 0.008215 |
| After | 5 | -0.001703 | 0.003063 | 0.000664 | 0.002153 |
| 2013 | Before | 5 | - 0.007145 | 0.007417 | 0.001833 | 0.005510 |
| After | 5 | -0.004101 | 0.004971 | -0.000207 | 0.003740 |
| 2014 | Before | 5 | -0.010902 | 0.007228 | -6.0E-7 | 0.007004 |
| After | 5 | - 0.010807 | 0.012106 | -0.000278 | 0.009613 |
| 2015 | Before | 5 | -0.013091 | 0.003207 | -0.001298 | 0.006813 |
| After | 5 | -0.008755 | 0.013480 | 0.002366 | 0.007878 |
| 2016 | Before | 5 | -0, 012149 | 0.004848 | -0.001879 | 0.006290 |
| After | 5 | -0.015867 | 0.016359 | 0.000618 | 0.013893 |
| 2017 | Before | 5 | -0.001483 | 0.009694 | 0.002183 | 0.004559 |
| After | 5 | -0.002555 | 0, 003699 | 0.000703 | 0.002303 |
| 2018 | Before | 5 | -0.004073 | 0.002243 | 0.000202 | 0.002489 |
| After | 5 | -0.009554 | 0.011384 | 0.000905 | 0.008181 |
| 2019 | Before | 5 | -0.009667 | 0.006802 | - 0.001747 | 0.007183 |
| After | 5 | -0.004787 | 0.001594 | -0.001878 | 0, 003147 |

Source: Compiled by the author.

Descriptive statistical analysis for values *Average Trading Volume Activity* (ATVA)before and after the event the State Revenue and Expenditure Budget (APBN) ratification is carried out directly using the SPSS application. The values *minimum, maximum, mean,* and *standard deviation* from the results of the analysis can be seen in the following table.

**Table 3. Descriptive statistical analysis of *Average Trading Volume Activity* (ATVA)Before and After the Event of APBN Approval**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **APBN** | ***Minimum*** | ***Maximum*** | ***Mean*** | ***Std.Deviation*** |
| APBN 2010 | 0.047538 | 0.236548 | 0.108411 | 0.058620 |
| APBN 2011 | 0.037366 | 0.230259 | 0.106243 | 0.072094 |
| APBN 2012 | 0.035495 | 0.090348 | 0.055730 | 0.017868 |
| APBN 2013 | 0.040744 | 0, 120599 | 0.078335 | 0.025847 |
| APBN 2014 | 0.051741 | 0.193793 | 0.095541 | 0.049079 |
| APBN 2015 | 0.024348 | 0.082153 | 0.049821 | 0.019959 |
| APBN 2016 | 0.029778 | 0.210451 | 0.095455 | 0.054387 |
| APBN 2017 | 0,034883 | 0,114249 | 0,077143 | 0,021636 |
| APBN 2018 | 0,008920 | 0,022235 | 0,014558 | 0,004318 |
| APBN 2019 | 0,006362 | 0,044675 | 0,023568 | 0,012977 |

Source: authors processed.

* 1. **Hypothesis Testing Hypothesis**
     1. **Testing I**

The first hypothesis of this study is that there is *an abnormal return* significant around the ratification of the State Budget (APBN). However, before testing the hypothesis, it is variable *abnormal return* necessary to know whether this is normally distributed or not. This is done to determine the appropriate statistical test tools used to process data. Based on the results of the normality test, data *abnormal returns* for five days before the ratification event until five days after the ratification event are normally distributed. This is evidenced by the value *asymp. sig. (2-tailed*) obtained through data processing in the SPSS Version 20 application was recorded to be more than 0.05. Therefore, these data can then be performed parametric statistical testing using the method *one-sample t-test.*

The results of the *one-sample t-test are* shown in Table 4 and Table 5. Based on the results of the analysis using the *one-sample t-test* on the value *abnormal return of* stocks during the ratification of the State Budget (APBN) for the 2010-2014 fiscal year, there is an *abnormal return* significantly received by investors. *Abnormal return is* considered significant if the Sig. <0.05 in the 95 percent confidence level. These results indicate that the capital market reacts to the APBN approval event.

**Table 4. Results of *One-Sample t-Test Abnormal Return in* 2010 – 2014**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | APBN 2010 | APBN 2011 | APBN 2012 | APBN 2013 | APBN 2014 |

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | t | Sig. | t | Sig. | t | Sig. | t | Sig. | t | Sig. |
| t-5 | 0,771 | 0,452 | 0,977 | 0,343 | -0,398 | 0,696 | 1,402 | 0,180 | 2,040 | 0,058 |
| t-4 | 0,899 | 0,382 | -0,146 | 0,886 | 1,383 | 0,186 | 1,811 | 0,089 | 0,333 | 0,743 |
| t-3 | -1,963 | 0,067 | -0,349 | 0,732 | -1,367 | 0,191 | 0,514 | 0,614 | -3,142 | 0,006 |
| t-2 | -3,915 | 0,001 | 1,079 | 0,296 | 0,584 | 0,567 | -1,735 | 0,102 | 1,338 | 0,200 |
| t-1 | 2,730 | 0,015 | 1,078 | 0,297 | 0,178 | 0,861 | 1,927 | 0,072 | 2,123 | 0,050 |
| t0 | 1,582 | 0,133 | 0,194 | 0,849 | -0,042 | 0,967 | -2,158 | 0,046 | -0,021 | 0,984 |
| t+1 | -0,190 | 0,851 | -2,670 | 0,017 | -1,676 | 0,113 | -0,059 | 0,954 | 0,308 | 0,762 |
| t+2 | 0,148 | 0,884 | -0,577 | 0,572 | -1,866 | 0,080 | 0,713 | 0,486 | -0,928 | 0,367 |
| t+3 | -0,677 | 0,508 | 0,712 | 0,487 | 0,686 | 0,502 | -1,002 | 0,331 | 1,371 | 0,189 |
| t+4 | 2,761 | 0,014 | 0,777 | 0,449 | -2,643 | 0,018 | 1,156 | 0,264 | -3,002 | 0,008 |

Source: author processed

SPSS analysis using *one-sample t-test* for the event of ratification of the State Budget (APBN) for the Fiscal Year 2015–2019 also shows a significant *abnormal return*, except for the ratification of the State Budget (APBN) for the Fiscal Year 2018. These results can be seen in Table 5 below.

**Table 5. Results of *One-Sample t-Test Abnormal Return for* FY 2015 - 2019**

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | **APBN 2015** | | **APBN 2016** | | **APBN 2017** | | **APBN 2018** | | **APBN 2019** | |
| **t** | **Sig.** | **t** | **Sig.** | **t** | **Sig.** | **t** | **Sig.** | **t** | **Sig.** |
| t-5 | 0,597 | 0,559 | 1,449 | 0,167 | 0,236 | 0,817 | -0,335 | 0,742 | -3,616 | 0,002 |
| t-4 | 0,834 | 0,416 | 0,243 | 0,811 | -1,514 | 0,149 | -1,872 | 0,080 | 1,721 | 0,105 |
| t-3 | -0,504 | 0,621 | -0,951 | 0,356 | -0,833 | 0,417 | -0,456 | 0,655 | -0,839 | 0,414 |
| t-2 | 1,022 | 0,322 | -1,253 | 0,228 | 2,447 | 0,026 | -0,122 | 0,904 | -2,645 | 0,018 |
| t-1 | -2,196 | 0,043 | -3,266 | 0,005 | 0,475 | 0,641 | -0,111 | 0,913 | 1,327 | 0,203 |
| t0 | 0,753 | 0,462 | -1,537 | 0,144 | 1,063 | 0,303 | 1,764 | 0,097 | 2,261 | 0,038 |
| t+1 | 0,376 | 0,712 | 1,150 | 0,267 | 0,996 | 0,334 | -1,696 | 0,109 | -0,248 | 0,807 |
| t+2 | 0,457 | 0,654 | 1,602 | 0,129 | -0,295 | 0,772 | -1,329 | 0,203 | 0,252 | 0,804 |
| t+3 | -3,170 | 0,006 | 2,856 | 0,011 | 0,855 | 0,405 | 1,232 | 0,236 | -0,738 | 0,471 |
| t+4 | -0,294 | 0,773 | -1,940 | 0,070 | 0,979 | 0,342 | 0,907 | 0,378 | 0,917 | 0,373 |
| t+5 | 2,868 | 0,011 | -2,498 | 0,024 | 0,385 | 0,705 | 0,671 | 0,512 | -0,586 | 0,566 |

Source: author processed

* + 1. **hypothesis Testing II**

the second hypothesis of this study is that there is an average difference *in abnormal returns* of significant before and after the events attestation State Budget (STATE BUDGET). Testing of this hypothesis is done by looking for the *average abnormal return* (AAR) of all stock samples for 5 days before and 5 days after the budget approval event. The *average abnormal return* (AAR) value between before and after the event is then analyzed using the *paired-sample t-test* in the SPSS version 20 application.

Before testing the *paired-sample t-test,* as in the hypothesis testing stage I, the data *average abnormal return* (AAR)) it is necessary to test for normality using the *Kolmogorov Smirnov.* The provisions in the normality test with a confidence level of 5 percent are if the sig value ≤ 0.05, the data is not normally distributed. Meanwhile, if the sig value is> 0.05, the data is normally distributed. The results of the normality test *average abnormal return* using *Kolmogorov Smirnov* in the SPSS version 20 application can be seen in Table 6. Based on the results of normality testing using the *Kolmogorov Smirnov it* can be concluded that the overall data *average abnormal return* (AAR)has a normal distribution with a sig> 0 value 05. Therefore, these data can then be performed parametric statistical testing using the *paired sample t-test.*

**Table 6. Normality Test of Variable Data *Average Abnormal Return***

|  |  |  |  |
| --- | --- | --- | --- |
| **APBN** | ***Asymp. Sig. (2-tailed)*** | | **Information** |
| **Before** | **After** |
| 2010 | 0.946 | 0.464 | Normal |
| 2011 | 0.902 | 0.656 | Normal |
| 2012 | 0.985 | 0.810 | Normal |
| 2013 | 0.926 | 0.984 | Normal |
| 2014 | 0.986 | 0.985 | Normal |
| 2015 | 0.721 | 0.870 | Normal |
| 2016 | 0.768 | 0.978 | Normal |
| 2017 | 0.749 | 0.999 | Normal |
| 2018 | 0.684 | 0.963 | Normal |
| 2019 | 0.864 | 0.862 | Normal |

Source: processed by the author.

The results of the *paired sample t-test average abnormal return* (AAR) of APBN approval eventsfiscal year 2010–2019 using the SPSS Version 20 application is shown in Table 7. Apart from determining the t-count and Sig. through the method *paired sample t-test*, the t-table value also needs to be calculated to determine whether a hypothesis is accepted or not. The t-table value is calculated using Ms. Excel with the formula = TINV (0.05,4) and produces an at-table value of 2.776. Table 7 presents the results of the analysis *paired sample t-test* on the *average abnormal return* (AAR) between before and after the APBN approval event. Based on Table 7, the t-count value for the ten APBN validation events ranged from -0.852–0.659 or less than the t-table value of 2.776. In addition, the test results also show the sig value. ranged between 0.442–0.967, which is greater than 0.05. Therefore, the conclusion that can be drawn is that there is no significant difference in the average *abnormal return* before and after the ratification of the State Budget (APBN) or rejecting Hypothesis II.

**Table 7. Results of *Paired Sample t-Test Average Abnormal Return* (AAR) Event Ratification of APBN**

|  |  |  |  |
| --- | --- | --- | --- |
| **APBN** | **t-count** | **Sig.** | **Information** |
| 2010 | 0.519 | 0.631 | Hypothesis IIdenied |
| 2011 | -0.385 | 0.720 | Hypothesis IIrejected |
| 2012 | -0.359 | 0.737 | Hypothesis IIwas rejected |
| in 2013 | 0.659 | 0.546 | The hypothesisrejected |
| 2014 | 0.042 | 0.968 | Hypothesis IIrejected |
| 2015 | -0,852 | 0,442 | Hypothesis IIrejected |
| 2016 | -0.321 | 0.764 | Hypothesis IIrejected |
| 2017 | 0.500 | 0.643 | Hypothesis IIrejected |
| 2018 | -0.169 | 0.874 | Hypothesis IIrejected |
| 2019 | 0.044 | 0.967 | Hypothesis IIrejected |

Source: processed by the author

* + 1. **Hypothesis III Testing The third**

the hypothesis of this study is that there is a significant difference in the average *trading volume activity* before and after the event of the ratification of the State Revenue and Expenditure Budget (APBN). Testing of this hypothesis is done by looking for the *average trading volume activity* (ATVA) of all stock samples for 5 days before and 5 days after the event of budgeting. The *average trading volume activity* (ATVA) value between before and after the event is then analyzed using the *paired-sample t-test* in the SPSS version 20 application.

Before testing the *paired-sample t-test,* such as in the testing stages of hypotheses I and II, data *average trading volume activity* (ATVA) needs to be tested for normality using the *Kolmogorov Smirnov.* The provision in the normality test with a confidence level of 5 percent is that if the sig value ≤ 0.05, the data is not normally distributed. Meanwhile, if the sig value is> 0.05, the data is normally distributed. The results of testing the normality of *average trading volume activity* (ATVA) using *Kolmogorov Smirnov* can be seen in the following table.

**Table 8. Normality Test of Variable Data *Average Trading Volume Activity***

|  |  |  |  |
| --- | --- | --- | --- |
| **APBN** | ***Asymp. Sig. (2-tailed)*** | | **Description** |
| **Before** | **After** |
| 2010 | 0.710 | 0.912 | Normal |
| 2011 | 0.878 | 0.897 | Normal |
| 2012 | 0.950 | 0.946 | Normal |
| 2013 | 0,990 | 0.582 | Normal |
| 2014 | 0.487 | 0.845 | Normal |
| 2015 | 0.930 | 0.982 | Normal |
| 2016 | 0.798 | 0.943 | Normal |
| 2017 | 0.869 | 0.823 | Normal |
| 2018 | 0.919 | 1000 | Normal |
| 2019 | 0.942 | 0.947 | Normal |

Source: processed by the author

Based on the results of normality testing using *Kolmogorov Smirnov, it* can be concluded that the overall data *average trading volume activity* (ATVA)has a normal distribution with a sig> 0.05. Therefore, these data can then be performed parametric statistical testing using the *paired sample t-test.* Apart from determining the t-count and Sig. through the method *paired sample t-test*, the t-table value also needs to be calculated to determine whether a hypothesis is accepted or not. The t-table value is calculated using Ms. Excel with the formula = TINV (0.05,4) and produces the at-table value of 2.776. The results of the *paired sample t-test average trading volume activity* (ATVA) of the ratification of the State Revenue and Expenditure Budget (APBN) for the Fiscal Year 2010 - 2019by using the SPSS Version 20 application can be seen in the following table.

**Table 9. Results of *Paired Sample t-Test Average Trading Volume Activity* (ATVA) Events Endorsement of APBN**

|  |  |  |  |
| --- | --- | --- | --- |
| **APBN** | **t-count** | **Sig.** | **Information** |
| 2010 | 3.790 | 0.019 | Hypothesis III accepted |
| 2011 | -0.613 | 0.573 | Hypothesis III rejected |
| 2012 | 2.039 | 0.111 | Hypothesis III rejected |
| 2013 | 0.803 | 0.467 | Hypothesis III rejected |
| 2014 | -1.090 | 0.337 | Hypothesis III rejected |
| 2015 | -1.810 | 0.145 | Hypothesis III rejected |
| 2016 | 0.654 | 0.549 | Hypothesis III rejected |
| 2017 | 1.074 | 0.343 | Hypothesis III rejected |
| 2018 | -1,241 | 0.282 | Hypothesis III rejected |
| 2019 | -2,753 | 0.051 | Hypothesis III rejected |

Source: processed by the author

Table 9 presents the results of the analysis *paired sample t-test* on *average trading volume activity* (ATVA) between before and after the event of the ratification of the State Revenue and Expenditure Budget ( STATE BUDGET). Based on Table 9, the t-count value for the ten events of the ratification of the State Revenue and Expenditure Budget (APBN) ranges from -2,753 - 2,039 or less than the t-table value of 2.776, except for the event of ratification of the Year State Revenue and Expenditure Budget (APBN) 2010 budget which has an at-count value of 3,790. In addition, the test results also show the sig value. the range is between 0.051 - 0.573 or greater than 0.05, except for the event of ratification of the 2010 State Budget (APBN) which has a sig value. amounting to 0.019.

Based on the results of the *paired sample t-test, it* can be concluded that in the ratification of the State Revenue and Expenditure Budget (APBN) for the Fiscal Year 2010 there is a significant difference in the *average trading volume activity* before and after the event of ratification of the Income and Expenditure Budget. State (APBN) or receive H0. However, for the 2011–2019 fiscal year there was no significant difference in the average *trading volume activity* before and after the event of the ratification of the State Revenue and Expenditure Budget (APBN) or rejecting Hypothesis III.

1. **Discussion**
   1. **Discussion Hypothesis I**

The research using the event study approach on ten events of the ratification of the State Revenue and Expenditure Budget (APBN) shows that this event contains information that causes the Indonesian capital market to react. From a number of incidents of ratification of the State Revenue and Expenditure Budget (APBN) under study, there were abnormal returns with significant positive and negative values. Manurung (2005) explains that the market reaction in an event study is measured by using an abnormal return, which is an excess of the real yield against normal returns. Normal returns are the returns that investors expect (expectations) and occur when an event does not occur. With certain events, the yield will increase if the event is information that investors perceive as good (good news) and will decrease if it is bad news.

The existence of a positive abnormal return indicates that some market players consider this information on the ratification of the State Revenue and Expenditure Budget (APBN) to be good news. On the other hand, abnormal returns that have a negative value are a reflection of the opinion of some market players that the information on the ratification of the State Revenue and Expenditure Budget (APBN) is bad news. However, the emergence of significant abnormal returns, both positive and negative values, can be caused by profit-taking by market players to gain profits on share prices on the Indonesia Stock Exchange (IDX) around the ratification of the State Revenue and Expenditure Budget (APBN). . This condition is in accordance with the signaling theory which states that signals from information can change stock price movements. Signaling theory argues that in evaluating situations that have risk and asymmetric information, market participants will consider signals or attributes from other parties before making a decision.

During the ratification of the 2018 State Budget (APBN), there was no significant abnormal return. This result is thought to be caused by the actions of Indonesian capital market players who carry out speculation that could benefit them on the days surrounding the ratification of the State Budget (APBN). Moreover, the absence of significant abnormal return can also be caused by the actions of market participants who are still waiting for the ratification of the continued policy of the Government on the policy plan outlined in the State Budget (APBN) for the Fiscal Year 2018.

* 1. **Discussion Hypothesis II**

test results of the different reactions given by the market through the average *abnormal return* between before and after the event of the ratification of the State Revenue and Expenditure Budget (APBN), it shows insignificant results at α = 5 percent. Based on the test results, H0 is rejected or accepts H1. A difference in *average abnormal return* significant(AAR) did not occur in the ten events of the ratification of the State Revenue and Expenditure Budget (APBN) because market players had predicted the policy information contained in the State Revenue and Expenditure Budget (APBN) to be ratified. In this case, the signal possessed by budget information has been caught by market players long before the date of its approval.

The results of this study support previous research conducted by Nascimento (2015) on the influence of the United States Federal Government's budget on the country's capital market reaction, particularly on the S & P500 Index. This research shows that the budget approval event does not affect *returns* stock because market players have reacted first. The market tries to reduce the influence of the budget approval event so that the longer the fluctuation *return* will beweakened. The United States Federal Government budgeting process is itself a complex and unique process. Several stages that must be passed are:

1. submission of a budget proposal from the President to the Congress,
2. budget approval by Congress after going through various debates and discussions, and
3. final approval by the President.

The budget preparation process will be even more complex if the elected president does not come from the same party as the majority of members of congress.

For the budget preparation process in Indonesia, Law Number 17 of 2003 states the steps for preparing and determining the State Revenue and Expenditure Budget (APBN) as follows.

* + 1. The central government submits the main points of fiscal policy and macroeconomic framework for the following fiscal year to the House of Representatives (DPR) by mid-May of the current year.
    2. The central government and the House of Representatives (DPR) discussed the macroeconomic framework and the main points of fiscal policies proposed by the Central Government in the preliminary discussions on the draft State Revenue and Expenditure Budget (APBN) for the following fiscal year.
    3. The Central Government submitted a Draft Law on State Revenue and Expenditure Budget (APBN) along with financial notes and supporting documents to the House of Representatives (DPR) in August of the previous year.
    4. Decision making by the House of Representatives (DPR) regarding the Draft Law on the State Revenue and Expenditure Budget (APBN) is carried out no later than two months before the implementation of the relevant fiscal year.

Looking at the stages of formulating and stipulating the State Budget (APBN), it is possible that market players have committed speculation during the initial drafting stage prior to the passage of the current year's APBN. Apart from that, market players are also waiting for the government's continued policy on the State Budget (APBN) which has been passed to make investment decisions that are profitable for them.

* 1. **Discussion of Hypothesis III**

Testing the different reactions given by the capital market through the average trading volume activity between before and after the event of the ratification of the State Budget (APBN) mostly shows insignificant results at α = 5 percent. The insignificant difference in average trading volume activity (ATVA) is probably caused by market players who have anticipated the information contained in the ratification of the State Revenue and Expenditure Budget (APBN) in the early stages of its preparation.

Oliveira (2014) in his research on the influence of the government budget on the Portuguese capital market states that the existing empirical evidence shows that the government budget affects stock returns not only at the time of publication or publication to the public but also when determining various decisions in the process to compile a document. budget. In addition, in responding to information related to the ratification of the State Revenue and Expenditure Budget (APBN), market players tend to take a wait and see action on follow-up policies formulated in the State Revenue and Expenditure Budget (APBN). Therefore, the transactions carried out by market participants after the event tend not to experience significant movements.

For the event of ratification of the State Budget (APBN) for Fiscal Year 2010, the test results show that there is a significant difference between the average trading volume activity (ATVA) before and after the event. This means that market players consider that the event of the ratification of the State Budget (APBN) for Fiscal Year 2010 contains an informative value in the form of good news so that the number of traded shares (share trading volume) has increased compared to before.

1. **Conclusion, Limitations, and Suggestions**

**Conclusion**

Based on the results of the testing and discussion that have been presented in the previous section, the conclusions of this study are as follows.

1. The ratification of the State Revenue and Expenditure Budget (APBN) for the 2010–2019 fiscal year gave abnormal return market players an. Thus, the Indonesian capital market can be said to be a capital market with a semi-strong form because the reaction of the capital market through the abnormal returns received by market players around the ratification of the State Budget (APBN) shows the speed of the market in absorbing information received. However, the test results of the 2018 State Revenue and Expenditure Budget (APBN) did not show any abnormal returns significant around the day the State Revenue and Expenditure Budget (APBN) was ratified.

2. There is no significant difference in average abnormal return (AAR) between before and after the event of ratification of the State Revenue and Expenditure Budget (APBN) for the 2010–2019 fiscal year. The absence of a significant difference between the average abnormal return (AAR) before and after the event led to allegations of speculative action by market players during the other State Revenue and Expenditure Budget (APBN) preparation stages prior to its approval.

3. There is no difference in average trading volume activity (ATVA) between before and after the event of the ratification of the State Revenue and Expenditure Budget (APBN) for the 2011–2019 fiscal year. This is due to the fact that some market players have made their investment decisions at the State Budget preparation stage prior to the endorsement and some other market players have taken action wait and see on further policies to be implemented by the Government. However, for the State Budget (APBN) for the Fiscal Year 2010, there is a difference in average trading volume activity (ATVA) between before and after the event of ratification.

**Limitation and suggestions**

Based on the research results that have been presented in the previous section, the following things can be taken into consideration, including :

1. The government, especially the Ministry of Finance should prevent confusion in budget-related information that can lead to negative assumptions of market players that tend to encourage pessimism. in the capital market. Information that has not been verified should be clarified immediately in order to prevent further weakening of the stock price index.

2. The government, particularly the Ministry of Finance, also needs to formulate advanced policies from the various policies that have been outlined in the State Revenue and Expenditure Budget (APBN) quickly and accurately in order to reduce the uncertainty of market players.

3. In addition, it is hoped that the government (Ministry of Finance) will further increase the socialization of various advanced policies that have been described in the State Revenue and Expenditure Budget (APBN) in order to encourage investment in the capital market in line with the reduced uncertainty related to these policies.

4. Market players on the Indonesia Stock Exchange (IDX) can make the event of the ratification of the State Revenue and Expenditure Budget (APBN) as information in making decisions on their investment by remaining careful in analyzing relevant information and conditions of the Indonesian capital market so that the decisions taken are accurate.

5. Issuers listed on the Indonesia Stock Exchange can make the event of ratification of the State Budget (APBN) as information in making wise decisions related to finance, company work processes, business expansion, and other decisions that are closely related to the company's business continuity.

**References**

**Books and Other Resources**

Brown, S.J. dan Warner, J.B. 1985. Using Daily Stock Returns The Case of Event Studies. *Journal of Financial Economics, Vol. 14 : 3 – 31*

Connelly, B.L., Certo, S.T., Ireland, R.D., dan Reutzel, C.R., 2010. Signaling theory: A review and assessment. *Journal of Management*, *Vol. 37 (1): 39 – 67*.

Darmadji, T. dan Fakhruddin, H.M. 2012. *Pasar Modal di Indonesia : Pendekatan Tanya Jawab*. Jakarta : Salemba Empat.

Edirisinghe, C. 2017. Impact of Government Budget Announcement on Stock Market Sector Indices: Evidence from Colombo Stock Exchange. *Journal of Finance and Accounting, Vol. 5 (6): 214 – 218.*

Elton, E. J., dkk. 1995. *Modern Portfolio Theory And Investment.* Toronto: John Wiley and Sons.

Fama, E. F. 1970. Efficient Capital Markets: A Review of Theory and Empirical Work. *The Journal of Finance, Vol. 25 (2):* 383-417.

-------------. 1991. Efficient Capital Markets: II. *The Journal of Finance, Vol. 46 (5):* 1575 – 1617.

Gumanti, T.A. dan Utami, E.S. 2004. Bentuk Pasar Efisiensi dan Pengujiannya. *Jurnal Akuntansi dan Keuangan, Vol. 4(1) : 54 – 68*.

Henderson, Jr.G.V. 1990. Problems and Solutions in Conducting Event Studies. *Journal of Risk and Insurance, Vol. 57(2): 282 – 306*.

Jogiyanto, H. M. 2010. *Studi Peristiwa : Menguji Reaksi Pasar Modal Akibat Suatu Peristiwa.* Yogyakarta : BPFE Universitas Gadjah Mada.

Jogiyanto, H.M. 2017. *Teori Portofolio dan Analisis Investasi.* Yogyakarta : BPFE Universitas Gadjah Mada.

Khanna, K. dan Gogia, N. 2014. A Pragmatic Study of Budget Announcements and Stock Market Performance: India, US, and UK Panorama. *VSRD International Journal of Business and Management Research, Vol. 4 (2): 35 – 38.*

Kritzman, M.P. 1994. What Practitioners Need to Know About Event Study. *Financial Analysis Journal, 17 – 20.*

Mackinlay, A.C. 1997. Event Studies in Economics and Finance. *Journal of Economic Literature, Vol. 35 (1): 13 – 39.*

Manurung, A.H. 2005. Pengaruh Peristiwa Politik (Pengumuman Hasil Pemilu Legislatif, Pengumuman Hasil Pemilihan Presiden, Pengumuman Susunan Kabinet, Reshuffle Kabinet) terhadap Sektor-Sektor Industri di Bursa Efek Jakarta. *Jurnal Perbankan.*

Nascimento, D.P.G.R. 2015. Effect of U.S. Federal Budget on S&P500 Index [Disertasi]. Lisbon (PR): School of Business and Economic Catolica Lisbon.

Oliveira, A.S.D. 2014. The Effect of Government Budget on the Portuguese Stock Market [Disertasi]. Lisbon (PR): School of Business and Economic Catolica Lisbon.

Saraswati, N.M.A.W dan Mustanda, I.K. 2018. Reaksi Pasar Modal Indonesia terhadap Peristiwa Pengumuman Hasil Perhitungan Suara Pemilihan Umum dan Pelantikan Presiden Amerika Serikat. *E-Jurnal Manajemen Universitas Udayana, Vol. 7 (6).*

Sekaran, Uma. 2006. *Metodologi Penelitian untuk Bisnis.* Jakarta : Salemba Empat.

Spence, M. 1973. Job Market Signalling. *The Quarterly Journal of Economics, Vol. 87 (* 3*) : 355 – 374*.

Sugiyono. 2009. *Metode Penelitian Pendidikan : Pendekatan Kualitatif, Kuantitatif, dan R&D.* Bandung : Alfabeta.

Sugiyono. 2011. *Metode Penelitian Bisnis : Pendekatan Kualitatif, Kuantitatif, dan R&D.* Bandung : Alfabeta.

Suryawijaya, M.A. dan Setiawan, F. A. 1998. Reaksi Pasar Modal Indonesia Terhadap Peristiwa Politik Dalam Negeri (Event Study pada Peristiwa 27 Juli 1996). *Kelola, Vol. 7(18).*

Thomas, S. dan Shah, A. 2002. Stock Market Response to Union Budget*. Economic and Political Weekly, Vol. 37 (5): 455-458.*

**Public Documents and Legislation**

Republik Indonesia. 1995. Undang-Undang Nomor 8 Tahun 1995 tentang Pasar Modal.

-----------------------. 2003. Undang-Undang Nomor 17 Tahun 2003 tentang Keuangan Negara.

-----------------------. 2016. Undang-Undang Nomor 9 Tahun 2016 tentang Pencegahan dan Penanganan Krisis Sistem Keuangan.

-----------------------. 2017. Undang-Undang Nomor 15 Tahun 2017 tentang Anggaran Pendapatan dan Belanja Negara.

-----------------------. 2015. Peraturan Menteri Keuangan Nomor 234/PMK.01/2015 tentang Tata Organisasi Kementerian Keuangan.

-----------------------. 2015. Peraturan Menteri Keuangan Nomor 212/PMK.01/2017 tentang Perubahan atas Peraturan Menteri Keuangan Nomor 234/PMK.01/2015 tentang Tata Organisasi Kementerian Keuangan.