

## CHAPTER V

### CONCLUSIONS AND SUGGESTIONS

#### 1.1. Conclusion

1. Based on the results of TVA testing using Paired Sample T Test showed that there are significant differences of trading activity volume before and after North Korea and United States of America Tension. The average increase in trading volume activity after the event shows that the North Korea and United States of America tension gives a positive signal for the investor, so as to increase the amount of demand and supply of the company's stock in the capital market, which automatically also increase the trading volume activity of the company's stock.
2. Based on the results of abnormal return testing by using paired sample T test showed that there is a significant difference abnormal return before and after North Korea and United States of America tension. The average increase in abnormal returns after the event gives

conclusion that the North Korea and United States of Amrica tension can increase stock price of company in capital market, so that investor can enjoy abnormal return maximally.

## 1.2. Research Implication

Based on the above conclusions, the implication of this research are :

1. For researcher, this research is to know the differentiation between Abnormal Return and Trading Volume Activity before and after United States of America and North Korea tension and use this research as references for the next research improvement.
2. For investor, this research is to know for the next event, the investor can choose the decision whether buy, hold, or sell their stock and also is to know how non economic or non financial information can influence the abnormal return and trading volume activity so the investor can choose the right decision and also become smart investor to see the event

## 1.3. Research Limitation

The limitation of this research is the scope of the research. It proved from trading volume activity and abnormal return had increasing towards to this event, so it can be conclude that the event give positive information to the investor and give positive impact to the stock price because investor may think

the event is international event and not to much give impact to Indonesia's capital market. For the next research, it would be better if the scope become smaller or just in Indonesia so it can be more clear for the investor decision about an event.

#### 1.4. Suggestion

Based on the conclusion and implication that have been described above, suggestions for future research that can be summarized from this research are as follows :

1. This research should be further developed by other method and make the comparison for each method, because this research is just use Capital Asset Pricing Model ( CAPM ) as tools to produce result
2. If the next researcher still want to know the effect the international event, the scope of the research should be wider than this, it can be ASEAN stock price or ASIA stock price because it can show the real big effect to the stock price
3. For the future reserach, it would be better to use technical analysis for the index that become reserach object. So it will support the result because techical analysis is the analysis based on the market condition and as tools the prediction for the future market condition.