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   INTRODUCTION

   REVIEW OF LITERATURE

   NEED/IMPORTANCE OF THE STUDY

   STATEMENT OF THE PROBLEM

   OBJECTIVES

   HYPOTHESES

   RESEARCH METHODOLOGY

   RESULTS & DISCUSSION

   FINDINGS

   RECOMMENDATIONS/SUGGESTIONS

   CONCLUSIONS

   SCOPE FOR FURTHER RESEARCH

   ACKNOWLEDGMENTS

   REFERENCES

   APPENDIX/ANNEXURE

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BOOKS

- Bowersox, Donald J., Closs, David J., (1996), "Logistical Management." Tata McGraw, Hill, New Delhi.
- Hunker, H.L. and A.J. Wright (1963), "Factors of Industrial Location in Ohio" Ohio State University, Nigeria.

CONTRIBUTIONS TO BOOKS

- Sharma T., Kwatra, G. (2008) Effectiveness of Social Advertising: A Study of Selected Campaigns, Corporate Social Responsibility, Edited by David Crowther & Nicholas Capaldi, Ashgate Research Companion to Corporate Social Responsibility, Chapter 15, pp 287-303.

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- Schemenner, R.W., Huber, J.C. and Cook, R.L. (1987), "Geographic Differences and the Location of New Manufacturing Facilities," Journal of Urban Economics, Vol. 21, No. 1, pp. 83-104.

CONFERENCE PAPERS

- Garg, Sambhav (2011): "Business Ethics" Paper presented at the Annual International Conference for the All India Management Association, New Delhi, India, 19–22 June.

UNPUBLISHED DISSERTATIONS AND THESES

- Kumar S. (2011): "Customer Value: A Comparative Study of Rural and Urban Customers," Thesis, Kurukshetra University, Kurukshetra.

ONLINE RESOURCES

- Always indicate the date that the source was accessed, as online resources are frequently updated or removed.

WEBSITES

- Garg, Bhavet (2011): Towards a New Natural Gas Policy, Political Weekly, Viewed on January 01, 2012 http://epw.in/user/viewabstract.jsp

IMPACT OF STOCK SPLIT ANNOUNCEMENT ON MARKET PERFORMANCE OF STOCKS: A STUDY WITH REFERENCE TO MANUFACTURING INDUSTRIES IN INDIA

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ABSTRACT
India's manufacturing sector is vital for its economic progress. Manufacturing industries help in modernizing agriculture and export of manufactured goods to expand trade and commerce. Manufacturing sector's contribution to the GDP is 16 per cent, with the potential to grow more. A stock split is a corporate action that increases the number of the corporation's outstanding shares by dividing each share, which in turn diminishes its price. For this study, the authors have chosen six manufacturing industries. They are Oil and Gas Industry, FMCG Industry, Cement Industry, Steel Industry, Pharmaceutical Industry and Automobile Industry. The study aimed at comparing the market performance of stocks of their industries, before the split and after the split. The entire study is based on the secondary data extracted from various sources like BSE, NSE websites, RBI bulletin, books and journals. The study period is twelve years covering from 1st April, 2002-03 to 2012-13. The study is limited to only six manufacturing industries.

KEYWORDS
Capital, Manufacturing Market Industry, Return, Risk, Splits.

INTRODUCTION
Capital Market typically involves issuing instruments such as stocks and bonds for the medium term and long term. Suppliers of capital generally expect the maximum possible return at the lowest possible risk, while users of capital expect to raise capital at the lowest possible cost. Stock split is a strategy which is being used by the corporate to make their shares more attractive in the share market. Stock splits are mainly carried out with the intention of increasing liquidity. Once liquidity increases, more buyers and sellers trade in the stock, which, in turn, helps to discover its true value. The day of the stock split provides more investor awareness of the already well publicized stock split. Many investors who watched the stock rise at the announcement and again during the pre-split run will now buy shares at the lower split prices. These final buyers can push prices even higher. The present study deals with the impact of Stock Splits on Market Performance of Stocks. The manufacturing industry is taken as the sample for study. The stock prices of the companies of Automobile industry, Pharmaceuticals industry, Cement industry, FMCG industry, ONGC industry and Steel industry are taken for the study.

OBJECTIVES
The main objective of the study is to identify the impact of stock splits on stock return. To fulfil this objective, the following specific objectives have been framed by the researcher.
- To test the stock market reaction to announcement of stock split.
- To compare the impact of split on stock return between the industries.

SCOPE OF THE STUDY
The current study is an attempt to identify the impact of stock splits on their return. In the study 15days before and 15after the split are taken and accordingly a comparison is made between the average return before the split and after the split. The study covers a period of twelve years and the various industries taken for the study are Automobile, Pharmaceuticals, Cement, FMCG, ONGC and Steel industry.

METHODOLOGY
The entire study is based on secondary data extracted from various sources like BSE website and other e-sources, books and journals etc. The sample size is 70 companies selected from six different industries.

TECHNIQUES OF ANALYSIS

Daily returns for each sample company has been computed for the estimation period and also for the event period as

$$R_{it} = \frac{MP_{it} - MP_{i(1-t)}}{MP_{i(1-t)}}$$

Where, MP_{it} = Market price (closing) of security 'i' on day t and $MP_{i(1-t)}$ = Market price of security on day (t-1). Comparatively, the actual returns for the market are also computed as :

$$R_{mt} = \frac{I_{it} - I_{i(1-t)}}{I_{i(1-t)}}$$

Where I_{it} an $I_{i(1-t)}$ are daily BSE index values at time t and t-1 respectively

In the next step the market model has been utilized to calculate the expected returns on the stock.

DAILY EXPECTED RETURN

$$E(R_{it}) = \alpha + \beta \times R_m + \varepsilon_t$$

In the Equation **E(R)** is the expected return of a particular company on day t,

α and **β** are calculated as follows

$$\beta = \frac{n\sum xy - \sum x \times \sum y}{n\sum x^2 - (\sum X)2}$$

$$\alpha = \overline{y} - \beta \overline{x}$$

R (m) = Return on the market

Then the abnormal return on day t is calculated as

ABNORMAL RETURNS

Daily abnormal return on a particular day *t* is the excess of the actual return on the day t over the expected return on that day.

AR= R_{it} – E(R_{it})

Where, **R_{it}** is the actual daily return for the share of a company i at time t, & **E(R_{it})** is the expected return on the same day in the absence of an acquisition.

The study period used in this analysis is a 31working days. In this, the day on which a split announcement appears in the press is designated as 0. Trading days prior to the split announcement are numbered event days -1, -2 and so on. The event days following the splits are numbered +1, +2 and so on. The maximum time involved in this study is -15 days to +15 days. First, the average excess returns (AAR) for each relative day t are calculated across the securities. Daily average cumulative abnormal returns (CAAR) are the sum of the average excess returns over event time. In other words, CAAR is defined as the sum of previous daily average residuals for each trading day.

Average abnormal return (AAR's) for each relative day is calculated by

$AAR_t = \sum_{t=1}^{n\Sigma} \frac{AR_{it}}{N}$

Where, i = the number of securities in the study

N = Total number of securities

t = the days surrounding the event study.

Cumulative Average Abnormal Returns (CAARs) are derived by summing the AARs over various time intervals. For Example, CAARs for a time interval t_n to t_t , are derived as follows

CAARs = $\sum_{t=1}^{n} AAR_t$

Where t = -15,…. 0,….. +15

The data which is collected after the calculations which are explained above is a representation of the period 1/4/2002 to 31/3/2013.This data is then further segregated into sectors, namely Automobile, Pharmaceuticals, Cement, FMCG, ONGC and Steel industry. In addition to the above techniques other statistical tools such as averages and CAPM have been used to make the analysis more effective.

LIMITATIONS

Every research has its own limitations. The following are the limitations of this study.

- The study covers only few sectors such as Cement, FMCG, ONGC and Steel industry which are taken for studying the impact of splits.
- This study is restricted only to Indian companies.

ANALYSIS AND INTERPRETATION

This part of the study deals with the analysis of the study. For the purpose of analysis the companies taken for the study are categorized into sectors. The sectors taken for the study are FMCG, Automobile, ONGC and Steel, Cement, Pharmaceuticals. The returns of each company under each sector are shown in the annexure. Sector wise analysis is being made before the split Average Abnormal Return (AAR) and after the split AAR is calculated for each company and then for each sector. For the above purpose, statistical tools, like, mean, and Beta have been used.

TABLE 1: AVERAGE RETURNS, AVERAGE ABNORMAL RETURN, AVERAGE EXCESS RETURN AND CUMULATIVE AVERAGE RETURNS, AVERAGE ABNORMAL RETURN, AVERAGE EXCESS RETURN FOR AUTOMOBILE INDUSTRY

Days	AR	CAR	AAR	CAAR	AER	CAER	Days	AR	CAR	AAR	CAAR	AER	CAER
-15	0.583	0.583	-0.856	-0.856	-1.350	-1.350	1	1.038	1.038	-1.835	-1.835	-0.881	-0.881
-14	1.607	2.190	-0.943	-1.799	-0.324	-1.674	2	-0.993	0.045	0.430	-1.404	-2.924	-3.805
-13	0.856	2.463	-1.079	-2.022	-1.064	-1.388	3	-0.638	-1.631	1.126	1.556	-2.580	-5.504
-12	0.260	1.116	-0.101	-1.181	-1.657	-2.722	4	-1.503	-2.141	1.206	2.332	-3.450	-6.030
-11	-0.515	-0.255	0.900	0.799	-2.448	-4.106	5	0.680	-0.823	-1.271	-0.065	-1.277	-4.727
-10	1.071	0.556	-0.189	0.711	-0.861	-3.309	6	-0.454	0.226	0.243	-1.028	-2.412	-3.689
-9	1.353	2.424	-1.110	-1.299	-0.577	-1.438	7	-1.114	-1.569	1.249	1.492	-3.074	-5.486
-8	-0.834	0.519	0.737	-0.373	-2.761	-3.338	8	-0.732	-1.847	0.704	1.953	-2.688	-5.762
-7	0.214	-0.620	-0.374	0.364	-1.728	-4.489	9	0.103	-0.629	-0.379	0.325	-1.862	-4.550
-6	0.438	0.653	-1.470	-1.844	-1.501	-3.229	10	0.365	0.468	-0.384	-0.763	-1.599	-3.461
-5	1.117	1.555	-0.473	-1.944	-0.820	-2.321	11	0.813	1.177	-0.731	-1.115	-1.128	-2.727
-4	-0.052	1.064	-0.108	-0.581	-1.974	-2.794	12	0.228	1.040	-0.627	-1.359	-1.696	-2.824
-3	-1.383	-1.435	1.042	0.934	-3.306	-5.279	13	0.955	1.182	-1.260	-1.888	-0.969	-2.664
-2	1.015	-0.368	-0.887	0.154	-0.916	-4.222	14	0.090	1.044	0.138	-1.122	-1.780	-2.748
-1	0.088	1.104	-0.565	-1.452	-1.843	-2.760	15	-0.877	-0.787	0.607	0.745	-2.758	-4.538
0	1.373	1.462	-0.742	-1.307	-0.560	-2.403							
Average	0.449		-0.389		-1.481			-0.136		-0.052		-2.072	

It is clear from the Table 1 that the average actual return and average excess return are higher before the split announcement and average abnormal return higher after the split announcement in automobile industry.

TABLE 2: AVERAGE RETURNS, AVERAGE ABNORMAL RETURN, AVERAGE EXCESS RETURN AND CUMULATIVE AVERAGE RETURNS, AVERAGE ABNORMAL RETURN, AVERAGE EXCESS RETURN FOR CEMENT INDUSTRY

Days	AR	CAR	AAR	CAAR	AER	CAER	Days	AR	CAR	AAR	CAAR	AER	CAER
-15	-0.651	-0.651	0.595	0.595	-1.313	-1.313	1	1.038	1.038	-0.929	-0.929	0.407	0.407
-14	-1.114	-1.765	0.729	1.324	-1.768	-3.081	2	-0.993	0.045	2.292	1.363	-2.814	-2.407
-13	0.657	-0.457	1.085	1.814	-0.001	-1.769	3	-0.638	-1.631	3.739	6.031	-4.261	-7.075
-12	-0.412	0.245	-2.875	-1.790	-1.066	-1.067	4	-1.503	-2.141	2.187	5.926	-2.703	-6.964
-11	-0.530	-0.943	-0.510	-3.385	-1.188	-2.255	5	0.680	-0.823	2.360	4.546	-2.868	-5.570
-10	0.417	-0.113	0.228	-0.282	-0.237	-1.425	6	-0.454	0.226	1.582	3.942	-2.084	-4.952
-9	0.927	1.345	1.071	1.300	0.271	0.035	7	-1.114	-1.569	0.969	2.552	-1.475	-3.560
-8	-0.744	0.183	0.892	1.964	-1.400	-1.129	8	-0.732	-1.847	-0.854	0.116	0.340	-1.136
-7	-0.923	-1.668	-0.779	0.113	-1.575	-2.976	9	0.103	-0.629	-0.746	-1.600	0.240	0.580
-6	-0.080	-1.004	-0.269	-1.049	-0.734	-2.310	10	0.365	0.468	-1.456	-2.202	0.952	1.192
-5	0.658	0.578	0.678	0.409	0.002	-0.732	11	0.813	1.177	-0.146	-1.602	-0.346	0.606
-4	3.023	3.681	0.560	1.239	2.369	2.371	12	0.228	1.040	-0.555	-0.701	0.053	-0.293
-3	-0.937	2.086	-0.509	0.051	-1.591	0.778	13	0.955	1.182	1.339	0.784	-1.861	-1.808
-2	-0.581	-1.518	1.262	0.753	-1.267	-2.858	14	0.090	1.044	0.581	1.920	-1.099	-2.960
-1	-0.447	-1.028	0.799	2.061	-1.129	-2.396	15	-0.877	-0.787	-0.106	0.474	-0.404	-1.502
0	-2.543	-2.990	2.691	3.490	-3.213	-4.342							
Average	-0.205		0.353		-0.865			-0.136		0.684		-1.195	

It is clear from the Table 2 that the average excess returns are higher before the split announcement and average actual return and average abnormal returns are higher after the split announcement in cement industry.

TABLE 3:AVERAGE RETURNS, AVERAGE ABNORMAL RETURN, AVERAGE EXCESS RETURN AND CUMULATIVE AVERAGE RETURNS, AVERAGE ABNORMAL RETURN, AVERAGE EXCESS RETURN FOR FMCG INDUSTRY

Days	AR	CAR	AAR	CAAR	AER	CAER	Days	AR	CAR	AAR	CAAR	AER	CAER
-15	0.813	0.813	-0.758	-0.758	-2.367	-2.367	1	-0.879	-0.879	0.935	0.935	-4.024	-4.024
-14	2.684	3.497	-2.629	-3.386	-0.486	-2.853	2	-1.437	-2.316	1.492	2.427	-4.562	-8.586
-13	1.601	4.284	-1.545	-4.174	-1.577	-2.063	3	1.102	-0.335	-1.046	0.446	-2.056	-6.618
-12	-0.663	0.938	0.718	-0.827	-3.843	-5.420	4	0.602	1.704	-0.547	-1.593	-2.548	-4.604
-11	0.037	-0.626	0.018	0.736	-3.145	-6.988	5	0.168	0.770	-0.112	-0.659	-3.020	-5.567
-10	-0.983	-0.946	1.038	1.057	-4.153	-7.298	6	0.581	0.749	-0.526	-0.638	-2.604	-5.624
-9	-0.573	-1.556	0.629	1.667	-3.721	-7.874	7	-0.347	0.234	0.402	-0.124	-3.562	-6.166
-8	-0.776	-1.349	0.831	1.460	-3.943	-7.664	8	0.299	-0.047	-0.244	0.158	-2.953	-6.515
-7	0.488	-0.288	-0.432	0.399	-2.690	-6.633	9	0.730	1.029	-0.674	-0.919	-2.520	-5.473
-6	-0.815	-0.328	0.871	0.438	-4.003	-6.693	10	0.994	1.724	-0.939	-1.614	-2.241	-4.761
-5	1.518	0.702	-1.462	-0.591	-1.652	-5.655	11	1.019	2.014	-0.964	-1.903	-2.211	-4.451
-4	0.695	2.212	-0.639	-2.102	-2.478	-4.130	12	-0.201	0.819	0.256	-0.708	-3.461	-5.671
-3	-0.291	0.404	0.346	-0.293	-3.469	-5.946	13	-0.023	-0.223	0.078	0.334	-3.315	-6.776
-2	-0.373	-0.664	0.429	0.775	-3.538	-7.007	14	1.819	1.796	-1.763	-1.685	-1.456	-4.772
-1	-0.488	-0.861	0.543	0.972	-3.658	-7.196	15	-0.171	1.648	0.226	-1.537	-3.451	-4.907
0	0.405	-0.083	-0.350	0.193	-2.740	-6.398							
Average	0.205		-0.149		-2.966			0.284		-0.228		-2.932	

It is clear from the Table 3 that the average abnormal returns are higher before the split announcement and average actual return and average excess returns are higher after the split announcement in FMCG industry.

TABLE 4:AVERAGE RETURNS, AVERAGE ABNORMAL RETURN, AVERAGE EXCESS RETURN AND CUMULATIVE AVERAGE RETURNS, AVERAGE ABNORMAL RETURN, AVERAGE EXCESS RETURN FOR ONGC & STEEL INDUSTRY

Days	AR	CAR	AAR	CAAR	AER	CAER	Days	AR	CAR	AAR	CAAR	AER	CAER
-15	2.957	2.957	-2.926	0.846	0.846	0.846	1	-0.493	-0.493	0.409	0.409	-2.305	-2.305
-14	1.014	3.971	-0.984	-1.130	-0.285	0.561	2	3.057	2.565	-2.948	-2.539	0.852	-1.453
-13	1.533	2.547	-1.502	-0.630	-1.760	-2.045	3	1.446	4.503	-1.470	-4.418	-0.480	0.372
-12	0.841	2.374	-0.810	-1.321	-1.951	-3.711	4	-0.452	0.994	0.376	-1.094	-2.293	-2.773
-11	-0.171	0.670	0.201	-2.342	-3.663	-5.614	5	-0.025	-0.477	-0.109	0.267	-1.737	-4.031
-10	0.205	0.034	-0.174	-1.992	-4.334	-7.996	6	0.371	0.346	-0.196	-0.305	-1.933	-3.670
-9	0.626	0.831	-0.596	-1.570	-3.562	-7.896	7	0.628	0.999	-0.683	-0.879	-1.184	-3.117
-8	1.191	1.817	-1.160	-0.954	-2.524	-6.086	8	0.116	0.744	0.001	-0.682	-2.038	-3.222
-7	0.763	1.954	-0.733	-1.364	-2.318	-4.842	9	1.463	1.579	-1.196	-1.195	-0.982	-3.020
-6	0.133	0.897	-0.103	-1.994	-3.358	-5.676	10	0.465	1.928	-0.448	-1.644	-1.413	-2.395
-5	0.643	0.776	-0.612	-1.523	-3.517	-6.875	11	-0.571	-0.106	0.551	0.103	-2.309	-3.722
-4	0.700	1.343	-0.669	-1.449	-2.971	-6.488	12	-0.136	-0.707	-0.060	0.491	-1.512	-3.821
-3	0.264	0.964	-0.234	-1.862	-3.311	-6.283	13	0.524	0.388	-0.422	-0.481	-1.374	-2.886
-2	-0.347	-0.082	0.377	-2.479	-4.341	-7.652	14	0.278	0.802	-0.309	-0.730	-1.413	-2.787
-1	0.763	0.416	-0.732	-1.363	-3.842	-8.183	15	0.407	0.685	-0.458	-0.767	-1.257	-2.670
0	0.695	1.458	-0.665	-1.363	-1.415	-5.256							
Average	0.738		-0.708		-2.644			0.472		-0.464		-1.425	

It is clear from the Table 4 that the average actual returns are higher before the split announcement and average abnormal return and average excess returns are higher after the split announcement in ONGC and Steel industry.

TABLE 5: AVERAGE RETURNS, AVERAGE ABNORMAL RETURN, AVERAGE EXCESS RETURN AND CUMULATIVE AVERAGE RETURNS, AVERAGE ABNORMAL RETURN, AVERAGE EXCESS RETURN FOR PHARMACEUTICAL INDUSTRY

Days	AR	CAR	AAR	CAAR	AER	CAER	Days	AR	CAR	AAR	CAAR	AER	CAER
-15	-0.031	-0.031	0.028	0.028	-2.024	-2.024	1	-0.080	-0.080	0.076	0.076	-1.990	-1.990
-14	0.065	0.034	-0.068	-0.040	-2.005	-4.028	2	-0.485	-0.564	0.481	0.558	-2.478	-4.468
-13	0.084	0.148	-0.087	-0.155	-1.917	-3.921	3	-0.302	-0.787	0.299	0.780	-2.239	-4.717
-12	0.286	0.369	-0.289	-0.376	-1.735	-3.652	4	-0.732	-1.034	0.729	1.028	-2.547	-4.786
-11	0.917	1.203	-0.920	-1.210	-1.081	-2.817	5	-0.302	-1.034	0.298	1.027	-2.276	-4.823
-10	0.434	1.351	-0.437	-1.358	-1.513	-2.594	6	-0.015	-0.317	0.012	0.310	-1.952	-4.228
-9	0.097	0.531	-0.100	-0.537	-2.032	-3.545	7	0.719	0.704	-0.722	-0.710	-1.213	-3.165
-8	-0.719	-0.622	0.716	0.616	-2.526	-4.559	8	-0.046	0.673	0.043	-0.679	-2.074	-3.288
-7	0.230	-0.489	-0.233	0.483	-1.726	-4.252	9	-0.309	-0.355	0.306	0.348	-2.374	-4.449
-6	1.444	1.674	-1.447	-1.680	-0.414	-2.140	10	0.355	0.046	-0.358	-0.053	-2.010	-4.385
-5	1.199	2.643	-1.203	-2.650	-0.607	-1.021	11	-0.289	0.065	0.286	-0.072	-2.254	-4.265
-4	1.412	2.611	-1.415	-2.617	-1.071	-1.678	12	-0.165	-0.454	0.162	0.448	-2.111	-4.365
-3	1.169	2.580	-1.172	-2.587	-2.082	-3.152	13	-0.057	-0.222	0.054	0.215	-1.650	-3.761
-2	0.369	1.537	-0.372	-1.544	-1.797	-3.878	14	-0.202	-0.259	0.199	0.253	-2.196	-3.846
-1	0.334	0.703	-0.337	-0.709	-1.724	-3.520	15	-0.077	-0.279	0.073	0.272	-1.891	-4.087
0	0.418	0.752	-0.422	-0.759	-1.515	-3.238							
Average	0.482		-0.485		-1.610			-0.132		0.129		-2.084	

It is clear from the Table 5 that the average actual return and average excess returns are higher before the split announcement and average abnormal returns are higher after the split announcement in pharmaceutical industry.

TABLE 6: ACTUAL RETURNS, ABNORMAL RETURN, EXCESS RETURN AND CUMULATIVE ACTUAL RETURNS, ABNORMAL RETURN, EXCESS RETURN OF THE INDUSTRIES UNDER STUDY

Days	AR	CAR	AAR	CAAR	AER	CAER	Days	AR	CAR	AAR	CAAR	AER	CAER
-15	0.734	0.734	-0.784	-0.784	-1.241	-1.241	1	0.125	0.125	-0.269	-0.269	-1.759	-1.759
-14	0.851	1.585	-0.779	-1.562	-1.487	-2.729	2	-0.170	-0.045	0.350	0.081	-2.385	-4.144
-13	0.946	1.797	-0.626	-1.404	-1.324	-2.812	3	0.194	0.024	0.529	0.879	-2.323	-4.708
-12	0.062	1.008	-0.672	-1.297	-2.744	-4.069	4	-0.718	-0.524	0.790	1.320	-2.708	-5.031
-11	-0.052	0.010	-0.062	-0.734	-2.970	-5.715	5	0.240	-0.477	0.233	1.023	-2.236	-4.944
-10	0.229	0.176	0.093	0.031	-2.812	-5.783	6	0.006	0.246	0.223	0.456	-2.197	-4.433
-9	0.486	0.715	-0.021	0.072	-2.787	-5.599	7	-0.246	-0.240	0.243	0.466	-2.102	-4.299
-8	-0.377	0.109	0.403	0.382	-3.659	-6.446	8	-0.219	-0.465	-0.070	0.173	-1.883	-3.984
-7	0.154	-0.222	-0.510	-0.107	-2.870	-6.529	9	0.418	0.199	-0.538	-0.608	-1.500	-3.382
-6	0.224	0.378	-0.484	-0.994	-2.669	-5.539	10	0.509	0.927	-0.717	-1.255	-1.262	-2.762
-5	1.027	1.251	-0.614	-1.098	-1.747	-4.415	11	0.357	0.865	-0.201	-0.918	-1.650	-2.912
-4	1.155	2.182	-0.454	-1.069	-1.457	-3.203	12	-0.009	0.348	-0.165	-0.366	-1.745	-3.395
-3	-0.236	0.920	-0.105	-0.560	-3.279	-4.735	13	0.471	0.461	-0.042	-0.207	-1.834	-3.579
-2	0.017	-0.219	0.162	0.056	-2.905	-6.184	14	0.415	0.885	-0.231	-0.273	-1.589	-3.423
-1	0.050	0.067	-0.058	0.103	-3.110	-6.015	15	-0.319	0.096	0.069	-0.162	-1.952	-3.541
0	0.070	0.120	0.103	0.044	-1.889	-4.998							
Average	0.334		-0.276		-2.434			0.070		0.014		-1.942	

It is understood from Table 6 that the actual return are higher before the split announcement, but the abnormal return and excess returns are higher after the split announcement. It clearly indicates that the investor expectation are less after the split and therefore of given more abnormal return after the split. It is also clear that the risk perception of the investor is less after the splits than before the split there or the reason for more excess return before the split.

FINDINGS AND CONCLUSION

Investor prefer a stock which is very popular in the market not which is available at a very cheaper price. Stock split is one of the most popular strategies used by the corporate to make the stocks more attractive. In this study attempts and made to compare the performance of stocks of five different industries for before the split and after the split. The study comes to a conclusion that the stocks will perform before in the market before the split than after the split. The reason would be the opinion of the investor that to get more number of shares after the split for a limited number of shares purchased before the split announcement. One of the most important findings of the study is that the investors risk perception before the split announcement are higher than after the split announcement and therefore the excess return and abnormal returns before the split is lower than after the split.

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