

## **ABSTRACT**

*This study aims to determine the effect of the price earning ratio and stock trading liquidity on a company's decision to do a stock split by focusing on companies listed on the Indonesia Stock Exchange with a research period of 2019-2021. The data used is secondary data. The population in this study are companies that carry out stock splits which are listed on the Indonesia Stock Exchange. The sampling technique used was purposive sampling method and obtained 48 companies with a total of 144 samples. Hypothesis testing is done by logistic regression analysis. The results of this study indicate that the price earning ratio has no significant positive effect on the decision to conduct a stock split and stock trading liquidity does not have a significant negative effect on the decision to conduct a stock split.*

*Keywords: Price Earning Ratio, Stock Trading Liquidity, Stock Split.*