

ABSTRACT

The Effect of Stock Ownership Concentration and Information Asymmetry toward Stock Underpricing when Initial Public Offering (IPO) On BEI In 2010 - 2013

By

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This research investigated the effect of stock ownership concentration and information asymmetry toward stock underpricing. The measurement of stock ownership concentration was proxied by the larger stock percentage, while the information asymmetry was proxied by bid-ask spread. The stock underpricing was proxied by initial return. The control variable for this study was financial leverage.

The sample for this research consists of 70 corporations that have fulfilled sample criteria in 2010 until 2013. The data on this research were tested by multiple linear regression. The result of this research showed that the stock ownership concentration had not significantly effect toward the stock underpricing while the information asymmetry had significantly positive effect toward the stock underpricing.

Keywords: stock ownership concentration, information asymmetry, stock underpricing, financial leverage.