

ABSTRACT

ANALYSIS OF FACTORS AFFECTING UNDERPRICING STOCK LEVELS AT INITIAL PUBLIC OFFERING (IPO) IN INDONESIA STOCK EXCHANGE

By

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This study aims to demonstrate empirically the factors that affect the level of underpricing shares at Initial Public Offerings (IPO). The factors used are initial return (IR), underwriter reputation, auditor reputation, return on equity (ROE), and financial leverage. Samples that selected in this study are 43 samples with the observations from 2007 to 2013. This research adopts multiple linear regression method using SPSS as an analytical tool.

The results show that variable return on equity (ROE) positively affects on underpricing phenomenon. Variable underwriter reputation, auditor reputation and financial leverage have no significant effect to underpricing phenomenon.

Key Words: *Initial Public Offering, underpricing, initial return, reputasi auditor, reputasi underwriter, return on equity, financial leverage.*