

ABSTRACT

In order to faces business competition, the company must do various ways to fulfill their capital needs in order to win the competition. One of them that they can do is initial public offering (IPO). This research aims to analyze the factors that influence underpricing of initial public offering in Indonesian Stock Exchange. The population of this research is the companies that did IPO in 2010-2015 in Indonesian Stock Exchange. Samples taken by purposive sampling technic and sample obtained 89 companies as research samples. The hypothesis analysis in this research was tested using multiple linear regression analysis. The result shows that only underwriter's reputation have negative significant influence to underpricing. Whereas company's age, return on asset and financial leverage have no significant influence to underpricing.

Keywords: Underpricing, IPO, company's age, return on asset, financial leverage, underwriter's reputation