

ABSTRACT

Underwriters is one of the parties that determined the price of IPO, that have more information about the stock market than the issuer. This information asymmetry situation can provide opportunities for each party to achieve its personal interests, so that it can cause underpricing conditions.

This research aims to analyze the effect of financial leverage, return on assets (ROA), ownership concentration, inflation rate, and listing delay on the level of underpricing both simultaneously and partially.

This research was conducted at the company that IPO on the IDX which underpriced period 2015 – 2017. The number of samples used was 39 company that using purposive sampling method. Data analysis that used is panelpooled data regression analysis using evIEWS software version 9.0.

The result of the study showed that financial leverage, ROA, ownership concentration, inflation rate, and listing delay simultaneously had an effect on the level of underpricing. While partially, ROA has a negative effect on the level of underpricing. Inflation rate has a positive effect on the level of underpricing. Financial leverage, ownership concentraion, and listing delay did not affect on the level of underpricing partially.

Suggested for future researchers can add years of recent research using variables that have no effect in this study. For financial leverage variable can use Debt to Assets Ratio (DAR) or Time Interest Earning Ratio (TIER) as proxy. Also suggested for prospective investors can consider the factors that are proven to affect the level of underpricing in this study when investing in the primary market. For companies, it is recommended to pay attention to the factors that are proven to affect the level of underpricing in this research when determining the price of a stock offer, so that the company does not underpricing.

Keywords: *The Level of Underpricing, Initial Public Offering, Financial Information, Non Financial Information.*