

ABSTRACT

The underpricing phenomenon frequently happen in companies who made an Initial Public Offering in Indonesia Stock Exchange. That's because stock price in primary market is undervalued than in secondary market. This research aims to evaluate the influence factors of underpricing level. The factors to be analysed in this research namely firm size, firm age, underwriter reputation and debt to equity ratio. This research used secondary data from companies who made Initial Public Offering (IPO) in Indonesian Stock Exchange period 2011-2015.

Samples selected by using purposive sampling technique and acquired 70 companies that are included with the period of five years, from 2011 until 2015. Model data analysis in this research is multiple regression model using SPSS 22 software.

The results of study shows that independent variables which are firm size, firm age, underwriter reputation and debt to equity ratio simultaneously a significant effect towards underpricing level. From the partial test, results showed that firm size, firm age and debt to equity ratio do not have significant towards underpricing level. Whereas underwriter reputation have a significantly negative effect towards underpricing level.

Keywords: *firm size, firm age, underwriter reputation, debt to equity ratio, and underpricing.*