

## **ABSTRACT**

*A company can utilize the capital market to fulfill the funding needs by sell its securities to the public which is then called go public. In the process of going public, stock sales were first conducted in the Initial Public Offering before being on the secondary market. If the stock price at the IPO is lower than the stock price on the secondary market on the first day, then there will be a phenomenon of low prices in the initial offering, called underpricing.*

*This study aims to examine the effect of underwriter reputation, ROA, DER, EPS, firm size, and firm age to the level of underpricing. The type of research used by the author is descriptive verification research that is causality. The population of this research is a company conducting Initial Public Offering in the period 2012-2016. Sampling technique used in this study is purposive sampling with the number of samples are 57 companies. Data used in this research is secondary data from prospectus and company financial report. Data analysis technique used in this research is descriptive analysis and multiple regression analysis.*

*Based on the results of research that has been done, shows that the reputation of underwriters, ROA, DER, EPS, firm size, and age of the company have no significant effect either simultaneously or partially to the level of underpricing.*

*Keywords: Underpricing, Stock, Initial Public Offering.*