ABSTRACT

Go public is an activity when a company offers its shares for sale to the general publicor the public for the first time. Companies can implement the mechanism of going public by selling their shares for the first time in an initial public offering or known as an Initial Public Offering (IPO) in the primary market. When the stock price at the time of the Initial Public Offering (IPO) is lower than the stock price on the secondary market on the first day, a low price phenomenon will occur in the initial offering, namely underpricing. This study aims to determinehow and whether the Debt Equity Ratio (DER), Return On Assets (ROA), Company Age, and Auditor Reputation have an effect on underpricing partially and simultaneously companies conducting Initial Public Offering (IPO) on the Indonesia Stock Exchange (IDX) in 2019.

This study uses quantitative methods. The sampling technique in this study used purposive sampling. The population in this study are companies listed on the Indonesia Stock Exchange (IDX) in 2019 with a sample of 47 companies. The data analysis technique used in this study is multiple regression test using SPSS 25 software.

Based on the results of research that has been done, Return On Assets (ROA), Debt to Equity Ratio (DER), Company Age, and Auditor Reputation simultaneously affect underpricing. Partially, Company Age and Auditor Reputation have a negative effect on Underpricing. Meanwhile, Return On Assets (ROA) and Debt to Equity Ratio (DER) have no effect on underpricing of companies conducting Initial Public Offerings (IPOs) on the Indonesia Stock Exchange (IDX) in 2019.

***Keywords**: Debt to Equity Ratio (DER), Return On Assets (ROA), Auditor Reputation,Company Age, Underpricing*