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Analysis of Factors that Affect on the Level of Stock under Pricing at the Time of Initial Public Offering

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Abstract:

This study aims to Determine Whether there is the influence of financial leverage, Stock Offering, and Age of Company against Underpricing. The population of this research is all nonfinancial companies that conduct IPOs in Indonesia Stock Exchange year 2013-2015. Sampling using purposive sampling technique is the selection of samples with certain criteria so that the samples Obtained in this study as many as 85 companies. The analysis methods used multiple linear regression analysis with 5% significance level. The results of this study indicate that financial leverage, Stock Offering has no significant effect on Underpricing. While Age Company has a significant effect on Underpricing.

Keywords: *Stock Offering, Underpricing*

1. Introduction

1.1. Background Research

The need for greater capital increase along with the development of the company. This will encourage the management to choose one of the alternatives of financing that can be used. The company has a variety of alternative sources of funding, which comes from the inside i.e. retained earnings and accumulated depreciation of fixed assets, as well as from outside the company through the addition of shares owned by the issuance of new shares. 'One alternative funding from outside the company is through the opt-in mechanism which is generally done by selling shares to the public or commonly known as the go public' (Retnowati 2013). 'A stock market is a place where various parties, especially companies selling stock and bond with the purpose of the sale proceeds will be used as an additional fund or to strengthen the company's capital' (Fahmi 2012, page.55). Public offering of stock sales transaction the first time occurred in the primary market (primary market). Activities are undertaken in the framework of the initial public offering so-called IPO (Initial Public Offering), then the stock can be traded on the Stock Exchange, which is called the secondary market (secondary market).

Pricing of the IPO in the IPO or when to go public is very difficult, because there is no stock price before that can be used as a determination of the offer, in addition to the plethora of companies that will go public has little or no experience on this new pricing (Kristiantari 2013), In general, in conducting the sale of shares in the primary market, companies submit to the underwriters an intermediary between companies that need funds to investors as a fund provider. This is because underwriters have better information about the demand for the issuer's shares, rather than the issue itself. This condition is not favorable for issuers,

When the company's IPO was oversubscribed (oversubscribed), the initial stock price that has been agreed by the issuer and the underwriter will be low and generally will be higher at the time the shares traded in the secondary market, the stock price will experience underpricing. Conversely, when the stock traded in the prime market experienced undersubscribed (lack of orders), then the initial stock price will be high and generally lower after the sale on the secondary market tends to overprice. Underpricing phenomenon is thought to occur because of their triggers, namely asymmetry information between issuers and underwriters who have the information at the time of the IPO inequality and may result in differences in price so that the occurrence of underpricing. In this study, researchers will test the variables suspected to affect underpricing. Variables that will be studied are Financial Leverage (DER), Stock Offering, and the Age of the Company.

1.2. Formulation of the Problem

Based on the above, it can be a formulation of the problem as follows

- a. Are Financial Leverage significant effect on Underpricing
- b. Is the Stock Offering significant effect on Underpricing
- c. Is Age a significant effect on Underpricing Company

2. Literature and Development Hypothesis

2.1. Teori Signal (Signaling Theory)

Information is an important element for investors and businessmen because the information is essentially present the information, record or good overview of the state of past, current and future state for the survival of a company and how it affects the market. Comprehensive information, relevant, accurate and timely information is required by the investors in the capital market as an analytical tool for making investment decisions.

Signal theory is used to explain that it is basically an enterprise information used to provide the positive or negative signal to the wearer. In this context, the stock at the time of the IPO serves as a signal to investors about the company's condition. 'Signaling theory can be interpreted that the theory that discusses the rise and fall of prices in the market, so it will have no effect on the decisions of investors' (Fahmi 2012, page.100). The response of investors to signal the positive and negative affect market conditions.

In addition, Godfrey et.al (2010, page.376) explains that 'the company's management uses financial statements to give a signal of hope and predictions about the future. According to signaling theory, managers become great hopes owners in providing information regarding the company's future growth prospects'. The expected consequences of the theory of this signal are with the encouragement of its own management to provide a signal hope of profit to investors in the future.

2.2. Hypothesis Development

2.2.1. Effect of Financial Leverage to Underpricing

Financial Leverage shows the company's ability to pay its debts with its capital, which is calculated by using the Debt to Equity Ratio (DER). Financial Leverage refers to how much a company relies on creditors to finance the company's assets. 'Leverage can be defined as the ratio of total debt to total equity in the company that illustrates the ratio between total debt and own capital (equity) of the company' (Sitanggang, 2012, page.25). Companies with high DER values represent a large corporate risk impacting future uncertainty. According to Wahyusari (2013), high DER indicates that the debts of large companies. The company uses more debt than their own capital for the fulfillment of all the company's performance. DER high will affect the public interest in making investment decisions. Thus, the higher the higher DER underpricing occurs in The Company. Berdasarkan the above explanation, the research hypothesis was formulated in the form of a hypothesis as follows:

- H1: Financial Leverage significant effect on Underpricing.

2.2.2. Effect of Stock Offering to Underpricing

Stock Offering is a number of shares offered to the public in an initial public offering (IPO). According to Sohail&Raheman (2009) in his research states 'stock offering proved to have an effect on underpricing'. The greater the share offered by the issuer to the public, the lower the level of underpricing, and vice versa. That is, the company (issuer) has pretty good information and were able to reduce the level of uncertainty of the market so as to minimize initial return. 'Stock Offering a proportion of the shares offered can be useful as a proxy to the uncertainty factor to be received by investors' (Diananingsih 2003 page.26). Therefore, stock offering refers to the theory of signals with companies that have good information access and have good quality, it will attract public interest to buy shares circulating in the community.

Based on the explanation above, the second research hypothesis is formulated in the hypothetical format as follows:

- H2: Stock Offering significant effect on Underpricing.

2.2.3. Effect of Age Company against Underpricing

Age Company is a company's ability to survive and the amount of information absorbed by public. 'Perusahaan longer stand usually more attractive to potential investors because they have been able to maintain a better performance of the company so that they survive until now' (Wahyusari 2013). According to Arman (2012) 'that the high age of the firm (long-established) can reduce the level of uncertainty and risk faced by investors'. Investors assume that companies with a high age have had the experience and knowledge to better run the business and overcome the competition with our competitors, as well as experienced through the economic crisis that could complicate the company so that investors and underwriters do not need to set the price too underpriced.

Based on the above explanation, the research hypothesis third hypothesis formulated in the format as follows:

- H3: Age significantly influences Underpricing Company.

2.3. Research Framework

In this study, the variables financial leverage (the company's ability to pay the debt with its equity), stock offering (the number of shares offered by the issuer to the public), and the age of the firm (the length of the company of the time standing up to do an initial public offering or listing on a stock exchange) is information that is expected to have an influence on underpricing non-financial companies in the industry in Indonesia. Based on this, we can describe the form of research framework as follows:

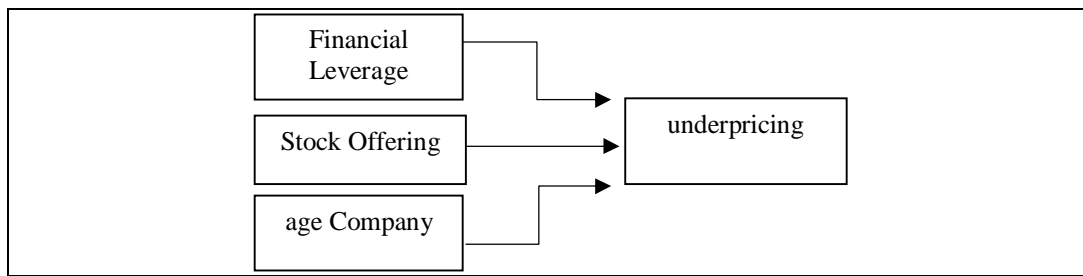


Figure 1: Test Multiple Regression Analysis

3. Research Methods

3.1. Measurement Variable

In completing this study, it is used as a measurement variable in this study are as follows:

a. Financial Leverage

Financial Leverage measured by comparing the total debt to total equity (Kasmir 2014, page.158). As for the measurement by using the formula:

$$\text{Debt to Equity Ratio} = \frac{\text{total Debt}}{\text{Equity}}$$

The scale in this study is the ratio of the unit is decimal.

b. Stock Offering

Stock Offering measured by calculating the proportion of shares offered to the public in an initial public offering (Takarini&Kustini 2007).

$$\text{Stock Offering} = \frac{\text{Number of Shares Offered during an IPO}}{\text{Number of shares outstanding}}$$

The scale in this study is that the percentage ratio of the unit.

c. Age Company

Age is measured by subtracting the Company's IPO and the company's stand (Arman 2012), with a ratio scale and the unit that year.

d. underpricing

under pricing Initial Return is measured by the formula (Arman 2012):

$$\text{IR} = \frac{(\text{P1} - \text{P0})}{\text{P0}}$$

Information:

IR: Initial Return shares of each company (underpricing)

P0: Prices IPO

P1: shares for the first day in the secondary market

3.2. Population and Sample

The population which is the object of this research is all companies conducting initial public offering (IPO) and listed in Indonesia Stock Exchange for the period 2013-2015.

The sampling is done by using purposive sampling method, which takes a sample with consideration or criteria. Criteria for selection of samples in this study are as follows:

- The companies engaged in the manufacturing sector that an initial public offering (IPO) and listing on the Stock Exchange from 2013 to 2015 period.
- Have a stock price data and data IPO first day closing price on the secondary market.
- Companies experiencing underpricing and the price does not fluctuate from the IPO until closing price.
- Have the information or the availability of data to be used in research

3.3. Mechanical Analysis and Testing Hypotheses

3.3.1. Mechanical Analysis

The analysis technique used in conducting hypothesis testing in this research is multiple regression analysis. Analysis regression analysis was conducted to determine whether there is the influence of financial leverage, stock offering, and the Age of the Company as independent variables to underpricing as the dependent variable. All data collected in this research will be analyzed and tested hypotheses. Data analysis and hypothesis testing data is done using a computer program that is IBM SPSS Statistics 19 and Microsoft Excel 2010

3.4. Hypothesis testing

3.4.1. The Coefficient of Determination (Adjusted R2)

The coefficient of determination (Adjusted R2) in essence is to measure how far the model's ability to explain variations in the dependent variable (dependent) '(Ghozali 2011, page. 97). R2 value is between 0 and R2 are small 1. The small value of R2 means that the ability of the independent variables in explaining the dependent variable variation is very limited. A value close to one means the free variables provide almost all the information needed to predict the variables bound.

However, the coefficient of determination has the disadvantage of bias against the number of independent variables were entered into the model. Therefore, it is recommended to use Adjusted R2 value when evaluating which model best.

3.4.2. Partial test (t test)

Partial test (t test) is used to indicate whether partially independent variables (individual) has an influence on the dependent variable. Decision-making in this test is based on a significance level of 5% or 0.05.

The formulation of the hypothesis in this test is as follows:

- a. Financial Leverage variables have an influence on Underpricing.

H0: $b_1 = 0$ Financial Leverage no significant effect on Underpricing.

Ha: $b_1 \neq 0$ Financial Leverage significant effect on Underpricing.

- b. Variable Stock Offering have an influence on Underpricing.

H0: $b_2 = 0$ Stock Offering no significant effect on Underpricing.

Ha: $b_2 \neq 0$ Stock Offering significant effect on Underpricing.

- c. Variable Age Company has an influence on Underpricing.

H0: $b_3 = 0$ Age Company has no significant effect on Underpricing.

Ha: $b_3 \neq 0$ Age Company significant effect on Underpricing.

Decision-making rejection and acceptance of the hypothesis is based on the following criteria, namely:

- a. Based on the comparisons of t_{count} and t_{table} the basic of decision making are:

1) If $t_{count} < t_{table}$, then H0 is accepted and Ha is rejected (no significant correlation)

2) If $t_{count} > t_{table}$, then H0 is rejected and Ha accepted (no significant correlation)

- b. Based on the probability value (significant) decision-making basis is:

1) If the probability > 0.05 then H₀ is accepted and H_a rejected.

2) If the probability < 0.05 then H₀ is rejected and H_a accepted.

3.4.3. Regression Model

Here are the multiple regression models were used to test the hypothesis in this study are:

$$Y = a + b_1X_1 + b_2X_2 + b_3X_3 + e$$

Information :

Y = *underpricing*

a = constant

b₁, b₂, b₃ = Regression Coefficients

X₁ = *Financial Leverage, Proxied Debt to Equity Ratio (DER)*

X₂ = *Stock Offering (SO)*

X₃ = *Age Company (Age)*

e = Error

4. Results and Discussion

The objects used in this research is manufacturing companies listed in Indonesia Stock Exchange (BEI). The number of manufacturing companies listed in Indonesia Stock Exchange is a total of 143 companies, consisting of several sectors including chemical and basic industry sectors, the various sectors of industry, and the consumer goods industry sector. Selection of a manufacturing company as the research object because the company is open in terms of performance reporting and also the company issuing financial statements annually.

The sampling method used in this research is purposive sampling method. Thus, the samples in this study were selected based on suitability of the criteria. Based on the sample selection process with predefined criteria, then acquired 85 companies that meet the criteria to be sampled in this study. The following are a sample selection process based on the criteria established.

NO.	Information	amount
1	The number of companies which did an IPO and listing on the Stock Exchange 2013-2015 period	143
2	Banking or finance company that conducted an IPO and listing on the Stock Exchange 2013-2015 period	(13)
3	Companies experiencing overpricing that an IPO and listing on the Stock Exchange the period 2012-2014	(55)
4	Companies that are not experiencing underpricing and overpricing (stable) which did an IPO and listing on the Stock Exchange 2012-2014	(23)
5	Companies that have incomplete data in an IPO and listing on the Stock Exchange the period 2012-2014	(10)
	number of samples	42
	Research period	3
	The number of sample data	126

Table 1: Details of sample criteria

Based on the criteria established using purposive sampling method, selected 42 manufacturing companies from various industry sectors to the research sample with the observation period of 3 years ie from 2013 to 2015, bringing the total overall sample is 126 samples. Here is a manufacturing company name is the object of the samples in this study:

No.	Code	Company name
1	SMCB	Holcim Indonesia Tbk
2	INTP	Indocement Tunggal Tbk
3	SMBR	Semen Balfour (Persero) Tbk
4	SMGR	cement Indonesia Tbk
5	WTON	wijaya concrete work Tbk.
6	AMFG	Asahimas Flat Glass Tbk
7	TOTO	Surya Toto Indonesia Tbk
8	HENNA	Indal Aluminum Industry Tbk
9	LION	Lion Metal Works Tbk
10	LMSH	Lionmesh Prima Tbk
11	DPNS	Duta Pertiwi Nusantara Tbk
12	EKAD	Ekadharna International Tbk
13	AKPI	ArghaKarya Prima Industry Tbk
14	TRST	TriasSentosaTbk
15	CPIN	Charoen Pokphand Indonesia Tbk
16	ASII	Astra International Tbk
17	AUTO	Astra Otoparts
18	SMSM	Congratulations Perfect Tbk
19	RICY	Ricky Putra GloblindoTbk
20	TRIS	Trident International Tbk
21	BRICK	Shoes Bata Tbk
22	KBLM	KabelindoMurniTbk
23	SCCO	Supreme Cable Manufacturing & Commerce Tbk
24	DLTA	Delta Djakarta
25	ICBP	Indofood CBP SuksesMakmurTbk
26	INDF	Indofood SuksesMakmurTbk
27	MYOR	Mayora Indah Tbk
28	MLBI	Multi Bintang Indonesia Tbk
29	BREAD	Nippon IndosariCorpindoTbk
30	SKLT	SekarLautTbk
31	GGRM	GudangGaramTbk
32	HMSP	HM Sampoerna Tbk
33	WIIM	WismilakIntiMakmurTbk
34	DVLA	Darya-VariaLaboratoriaTbk
35	SIDO	Medicinal and Pharmaceutical Industry Sido Appears Tbk
36	KLBF	Kalbe FarmaTbk
No.	Code	Company name
37	KAEF	Kimia Farma (Persero) Tbk
38	BRANDS	Merck Tbk
39	SQBB	Taisho Pharmaceutical Indonesia Tbk
40	TSPC	Tempo Scan Pacific Tbk
41	TCID	Mandom Indonesia Tbk
42	UNVR	Unilever Indonesia Tbk

Table 2: List of Companies That Being Research Object; Source: www.idx.co.id (Data is processed)

4.1. Analysis Descriptive Statistics

The descriptive statistical analysis is done in order to provide an overview of the variable-variable used in the study. This study uses three independent variables which aim to determine the effect of Financial Leverage, Stock Offering and Age Company against Underpricing. Before performing the test descriptive statistics, research data were collected and identified in advance to determine whether the data has been distributed normally if the data are not normally distributed then needed outlier.

The research sample as many as 85 samples of the study period as much as three years, the number $N = 126$, after performing the test result data from the test data is not normally distributed, it is because the data has extreme value so that the necessary outliers using techniques Boxplot. There are 41 data that must be eliminated (outliers) to make the data are normally distributed. To see data outliers, then it can be seen in the attachment. The research sample was reduced sample. After normally distributed data can then be tested descriptive statistical analysis.

These data are used to determine the values of variables based on the results of data processing with the help of Statistical Product and Service Solutions (SPSS) for Windows Version 21 obtained on the calculation as follows:

Descriptive Statistics					
	N	Minimum	maximum	mean	Std. deviation
underpricing	126	131.00	389,999.00	16822.6508	53509.98898
DER	126	,07	6.34	,8353	,90655
Stock_Off	126	,00	34.76	5.9015	9.12540
Umur_Persh	126	,00	3.53	2.8456	,70595
Valid N (listwise)	126				

Table 3: Results Descriptive Statistics Before Outlier

Source: Secondary data are processed

Based on the results table, Descriptive statistics before outliers above it can be seen that the number of samples used in this study was 126 samples. With reference to the table, it can be known that has the lowest value 131.00 Underpricing namely PT. KabelindoMurniTbk in 2015, while the highest value of 389,999.00 Underpricing namely PT. Delta Djakarta in 2014. This shows that the average Underpricing owned by every company has a value of 16822.65. Underpricing standard deviation value of 535,509.98.

The independent variable of Financial Leverage has the lowest value of 0.07 is at. Sido Appeared in 2014, while the highest was 6.34 Financial Leverage is the company Indal Aluminum Industry Tbk. in 2014. This shows that the average financial leverage possessed by each of these companies has a value of 0.8353. Financial Leverage standard deviation value of 0.90655.

The next independent variable that Stock Offering that has the lowest value of 0.00 is at.Holcim Indonesia in 2013, while the highest was 34.76 Stock Offering namely PT. WismilakIntiMakmurTbk. in 2015. This shows that the average Stock Offering owned by each of these companies has a value of 5.856, with a standard deviation of 9.1374.

The latter variable is Age Company after at Ln (LogNatural) has the lowest value of 0.00 is at. Trident International Tbk. in 2013, while the value of Age Company after Ln (Log Natural) is the highest at 3.53 which is the PT. Multi Bintang Indonesia in 2015. This shows that the average age owned by each of these companies has a value of 2.8546, with a standard deviation value 0.7059.

Descriptive Statistics					
	N	Minimum	maximum	mean	Std. deviation
underpricing	85	131.00	24999.00	4645.6118	5743.63743
DER	85	,08	2.00	,6538	,45362
Stock_Off	85	,00	,35	,0361	,06453
Umur_persh	85	1.39	3.53	3.0704	,32663
Valid N (listwise)	85				

Table 4: Results Descriptive statistics After Outlier

Based on the results table, Descriptive statistics before outliers above it can be seen that the number of samples used in this study was 126 samples. With reference to the table, it can be known that has the lowest value 131.00 Underpricing namely PT. KabelindoMurniTbk in 2015, while the highest value of 24999.00 Underpricing namely PT. Indocement in 2014. This shows that the average Underpricing owned by every company has a value of 4645.6118. Underpricing standard deviation value of 5743.637.

The independent variable of Financial Leverage has the lowest value of 0.08 is at. Sido Appeared in 2015, while the financial leverage of 2.00 is the highest in PT. Ricky Putra GloblindoTbk. in 2014. This shows that the average financial leverage possessed by each of these companies has a value of 0.6538. Financial Leverage standard deviation value of 0.45362.

The next independent variable that Stock Offering that has the lowest value of 0.00 is at.Holcim Indonesia in 2013, while the highest was 0.35 Stock Offering namely PT. Mayora Indah Tbk. in 2015. This shows that the average Stock Offering owned by each of these companies has a value of 0.361. Standard deviation value of 0.64553.

The latter variable is Age Company after at Ln (LogNatural) has the lowest value of 1.39 is at. WijayaKaryaBetonTbk. in 2014, while the value of Age Company after Ln (Log Natural) is the highest at 3.53 which is the PT. Multi Bintang Indonesia in 2015. This shows that the average age owned by each of these companies has a value of 3.0744 with a standard deviation age of the company amounted to 0.3266.

4.2. Classical Assumption Test 4.2. Analisis

In this research, classic assumption test is performed to determine normality test results, Multicollinearity, heteroscedasticity, and autocorrelation so as to ensure that the samples used in this study are free or no disruption of normality, Multicollinearity, heteroscedasticity, and autocorrelation.

4.3. Normality test

In calculating the normality test whether a regression value of the regression residuals has a normal distribution. This test is practically done by looking at the analysis graph consisting of graph histogram and Normal Probability Plots Probability Plots comparing observational data with near-normal distribution. Based on the results of data processing by the Statistical Product and Service Solutions for Windows Version 21 obtained on the calculation as follows:

a. Chart analysis

This test is practically done by looking at the analysis graph consisting of graph histogram and normal probability plots comparing the observation data is approximately normally distributed. Here is a histogram graph:

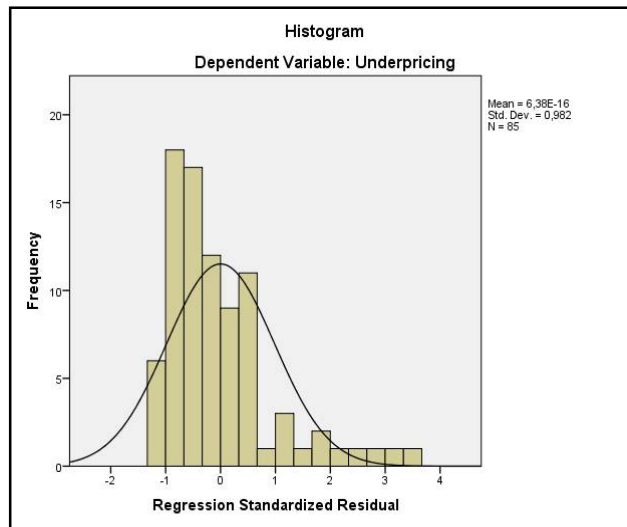


Figure 1: Results of Testing Normality with Histogram

The results of Figure 3, the curve above follow the shape of a bell (bells) and not deviated to the left and to the right so it can be said to have been in accordance with the basic decision-making and it shows a normal distribution pattern, then the regression model assumptions normality meet. In addition to viewing the histogram chart can be seen also by using normal probability plot analysis:

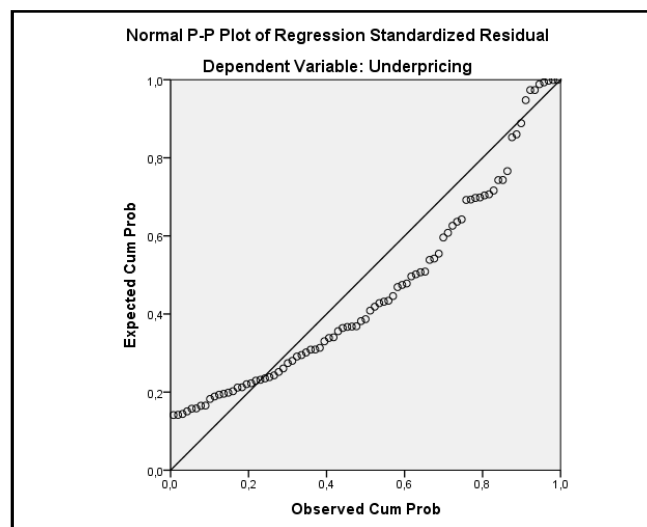


Figure 2: Testing Results Normality Probability Plot

Based on Figure 4, Graph Normal Probability Plot dots spread around the diagonal line, and its distribution follows the direction of the diagonal line, the regression model to meet the assumptions of normality and should become a model research.

4.4. test Multicollinearity

Model		collinearity Statistics	
		tolerance	VIF
1	(Constant)		
	DER	,994	1.006
	Stock_Off	,680	1,470
	Umur_persh	,683	1.464

a. Dependent Variable: Underpricing
 Table 5. Test Multicollinearity
 Source: Secondary data are processed

The multicollinearity test aims to determine whether the regression model found a correlation between independent variables (independent).Based on the results of Table 15, it is known that all independent variables have a value count \leq Tolerance VIF value \geq 10 or 10. It can be concluded all independent variables in this study did not experience problems or free from multicollinearity.

4.5. test Heteroskedasticity

Based on the results of data processing with the help of Statistical Product and Service Solutions for Windows Version 21 obtained the following results:

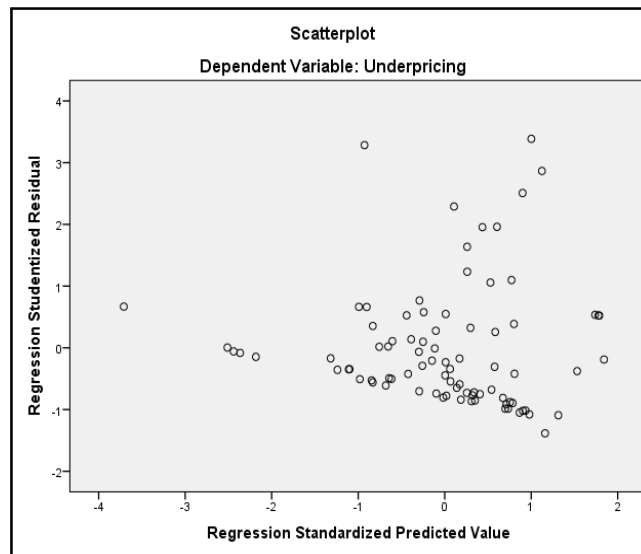


Figure 3: Results Scatterplot graph Heteroskedasticity
 Source: Secondary data are processed

Heteroscedasticity test can be detected by the presence or absence of certain patterns on the charts. Based on the graph Scatterplot on the image, it can be seen that the points this sample spread randomly and do not form a particular pattern that is obvious and spread both above and below the number 0 on the axis Y. This means indicates that there is no heteroscedasticity in model regression in this research. The a

utocorrelation test is available once there is a perception between the confounding error in the t-1 period (previously) in the multiple linear regression models (Ghozali, 2013 page. 110).

Based on the results of data processing with the help of Statistical Product and Service Solutions for Windows Version 21 obtained on the calculation as follows:

Model	Durbin-Watson
1	,491

Table 6: Test Results Autokrelasi
 Secondary data sources are processed

According to Santoso (2010, page.215) guidelines regarding the numbers DW (Durbin-Watson) to detect autocorrelation can generally be taken benchmark:

- a. Figures DW below -2 means there is positive autocorrelation.
- b. Figures DW between -2 to +2, meaning no autocorrelation.
- c. Figures DW above +2 means there is negative autocorrelation

Based on the test results of autocorrelation in the table, shows the Durbin-Watson value of 0.491 means $-2 < 0.491 < +2$ or $-2 < 0.491 < +2$ means no autocorrelation.

4.6. Hypothesis Testing

Hypothesis test can be done if the fulfillment of the classic assumption test. With the fulfillment of classical assumption mentioned above, then there is no errors or irregularities classic assumption test, so it can continue testing the hypothesis using the Test Coefficient of Determination (R Square), Test Simultaneous (Test F), Test Partial (t test) and Model Regression.

4.7. Determination (R²)

Test The coefficient of determination (R²) aims to measure how much of a role or the capability of independent variables (interest rate, and the Third Party Funds NPL). Based on the results of data processing with the help of Statistical Product and Service Solution version 21 (SPSS) HSIL obtained as follows:

Model	R Square	Adjusted R Square
1	,088	,055
a. Predictors: (Constant), Umur_persh, DER, Stock_Off		
b. Dependent Variable: Underpricing		

Table 7: Determination Test Results

Source: Secondary data have been processed

According to the table 18, indicate that the adjusted R-square (R²) is approximately 0.055 or 5.5%. So this shows that the percentage of the influence of the independent variable (Financial Leverage, Stock Offering and Age Company) on the dependent variable (Underpricing) of 5.5%, the remaining 94.5% influenced by other factors not included in this study.

4.8. Partial test (t test)

The test is performed to determine that the independent variable debt policy, dividend policy, and partial managerial ownership has a significant influence on the dependent variable value of the company. Based on the results of data processing with the help of Statistical Product and Service Solution version 21 (SPSS) obtained the results of the calculation as follows:

Coefficients ^a						
Model		Coefficients unstandardized		standardized Coefficients	t	Sig.
		B	Std. Error	beta		
1	(Constant)	-8,741.976	7287.506		-1.200	,234
	DER	-2,238.897	1346.984	-,177	-1.662	,100
	Stock_Off	6824.297	11448.847	,077	,596	,553
	Umur_persh	4756.674	2257.345	,271	2,107	,038
a. Dependent Variable: Underpricing						

Table 8: Partial Test Results (t test)

Source: Secondary Data Has Been Processed

To see the effects can compare table with t. Tcount seen in the table above statistics. Where df = number of samples (N) - the number of independent variables (K) - 1 = (85 - 3 - 1 = 81). By using the t distribution table and a significance level of 0.05 was obtained ttable value 1.98969. If the significance of > 0.05 then H₀ is accepted, and if the significance < 0.05 then H₀ is rejected.

Based on the results of Table 20 Variable Financial Leverage has thitung -1.662 while ttable 1.98969 so that $t < t$ table and a significance value of 0.100 is greater than the significance level of 0.05, thus H₀₁ accepted and rejected H_{a1}, It can be concluded that the partial Financial Leverage no significant effect on the distribution of Underpricing.

Stock Offering variable has a value thitung .596 while ttable 1.98969 so that $t < t$ table and a significance value of 0.100 is greater than the significance level of 0.05. Thus H₀₂ H_{a2} accepted and rejected, It can be concluded that the partial Stock Offering no significant effect on Underpricing.

While Age Company has t count of 2.107, while Ttable of 1.98969 then Thitung $> T$ table is 2.107 > 1.98969 then H₀₃ rejected and H_{a3} accepted. The significant value of 0.038 < 0.05 means H₀₃ rejected and H_{a3} accepted so that it can be concluded that the Age of Companies significantly affect Underpricing.

4.9. Multiple Regression Model

The result of multiple regression analysis is a form of coefficients for each independent variable. This coefficient is obtained by predicting the value of the dependent variable with an equation. Based on the results of the data using a support *Statistical Product and Service Solution version 21* (SPSS) HSIL obtained as follows:

Coefficientsa				
Model		Coefficients unstandardized		standardized Coefficients
		B	Std. Error	beta
1	(Constant)	-8,741.976	7287.506	
	DER	-2,238.897	1346.984	-, 177
	Stock_Off	6824.297	11448.847	, 077
	Umur_persh	4756.674	2257.345	, 271
a. Dependent Variable: Underpricing				

Table 9: Results of Multiple Regression Model

Source: Secondary Data That Has Diaolah

Hasi Based on the above table, the test results can be presented coefficient regression formula as follows:

$$UP = -8,741.976 - 2238,897FL + 6824,29SO + 4756,674AGE$$

Based on the multiple linear regression equations above can be seen that the constant value of -8,741.976. This shows that if the variable financial leverage, stock offering and the age of the firm value is 0, then underpricing value by -8,741.976. That is, based on sample testing, assuming that all the values of the independent variables are 0, then the magnitude of underpricing is -8,741.976 or.

Financial Leverage variable regression coefficient (X1) of -2,238.897, meaning if another independent variable value is fixed and financial leverage increased 1%, then the underpricing (Y) will be decreased by -2,238.897 or -223.889%. The coefficient is negative it means there has been a negative correlation between financial leverage to underpricing, the higher the financial leverage it will lower underpricing.

Variable regression coefficient Stock Offering (SO) (X2) is 6824.29, which means that if another independent variable value is fixed and SO rose 1% then Underpricing (Y) will increase or 682.49% 6824.29. The coefficient is positive, it means there has been a positive correlation between the Underpricing higher SO SO then increased Underpricing.

The regression coefficient of Company Age variable (X3) is 4756,674 or 475,667% meaning that if another independent variable is fixed and the company's age increases 1%, then the underpricing (Y) will increase by 4756,674 or 475,66%. Coefficient positive value positive relationship between the age of the company with underpricing, the higher the age of the company than the underpricing will increase.

5. Conclusion, Limitations and Practical Contribution

5.1. Knot

Based on the analysis and discussion that has been described in the previous chapter and the testing that has been done, it can be concluded as follows:

- The results of multiple regression analysis partial Financial Leverage variable (t test) Financial Leverage indicates that no significant effect on *Underpricing*.
- The results of multiple regression analysis Stock Offering partial variables (t test) showed that the Stock Offering no significant effect on *Underpricing*.
- The results of multiple regression analysis variables Age Company partially (ttest) showed that significantly influence the Company Age *Underpricing*.

5.2. Limitation

Broadly speaking, the limitations of this study include the time period of only 3 years of research, the study sample is limited and will be maximized if the study period more than 3 years as well as samples that are used throughout the manufacturing companies listed in Jakarta Stock Exchange.

5.3. Practical Contribution

According to the research conducted by the researchers, the following are suggestions to consider for further research are described as follows:

- For further research is expected to be more selective in the use of variables to be used in future studies, so that variable is used to get the desired results researchers is a significant effect on underpricing so that research results can provide knowledge for subsequent researchers.
- For academics, this study still has limitations, among others, the coefficient of determination (R2) is small means that the ability of independent variables in this study was limited, the next study is also expected to add to the sample period of research, and more specialized type of activity companies to be sampled. This type of activity is such as finance and banking.
- For issues in determining the initial share price of the issuer's IPO should sell their shares as additional funding/capital in running the company, which will use the capital making the company's condition improved and make the price higher than the stock market price of par. The company should minimize the negative information coming out about the company that could affect the stock price going forward so that the funds obtained optimally and will not cause harm in the future for the company.

d. For investors, since all variables of this study do not have a significant effect on the level of underpricing of companies conducting initial public offering (IPO), it is better for investors to consider other factors in making investment decisions such as firm size, other profitability ratios, underwriter reputation, as well as non-accounting information available in the Indonesian capital market and for investors may also be advised to consider the actual conditions of the company in buying the issuer's shares, in addition to the information contained in the prospectus, also need to pay attention to other factors that are expected to have an effect on underpricing.

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