

ABSTRACT

Net Initial Return is one of profit or a return earned by investors when buying a company's stock at the time the company makes a public offering for the first time. The profit can be obtained because companies conducting Initial Public Offering in the Indonesia Stock Exchange are underpricing. Net Initial Return which is a profit for investors causes companies that do IPO in the primary market can not maximize the revenue to be received during IPO.

This study aims to explain how Underwriter Reputation, Current Ratio (CR), Earning Per Share (EPS), Auditor Reputation and Net Initial Return to know whether there are influence simultaneously and partially between Underwriter Reputation, Current Ratio (C), Earning Per Share (EPS), and Auditor Reputation on Net Initial Return at the company doing IPO in Indonesia Stock Exchange period 2016-2019.

This research uses quantitative method. The population in this study are all companies that conduct IPO in Indonesia Stock Exchange during period 2016-2019 as many as 165 companies. The sample in this research is determined by using purposive sampling technique to get 110 companies for 4 years. The analysis technique will be used in this research is multiple analysis regression using Eviews 12.0 application.

The results of this research show that simultaneously, Underwriter Reputation, Current Ratio (CR), Earning Per Share (EPS), and Auditor Reputation have a significant effect on net initial return. Partially, Underwriter Reputation, Earning Per Share (EPS), and Auditor Reputation have a significant negative effect on Net Initial Return. While the Current Ratio has no effect on Net Initial Return.

For Investors are advised to get choose companies by using reputable securities underwriter companies and reputable auditor so that get maximize Net Initial Return. Meanwhile, for Companies are advised to choose a reputable securities underwriting company and reputable auditor that are expected to reduce the level of Net Initial Return that will occur at the closing on the first day on the secondary market. So, the process of public offering can generate maximum capital increase for the company.

Keywords: Auditor Reputation, CR, EPS, IPO, NIR, Underwriter Reputation.