ABSTRACT

The objective of this study was to analyze the correlation between some variables that was estimated to become a consideration material in order to make a decision to invest in Go Public company in Indonesia Stock Exchange. Testing the hypothesis was done on 101 Go Public companies in 2008-2012 which consisted 58 Main Board Companies and 45 Development Board Companies by using purposive sampling method. The basic issue of this study was to figure out the Effect of Financial Leverage, Return on Asset, Underwrite Reputation, Stock Offer Percentage, Investor Sentiment and Market Turnover on Initial Return.

The result of this study showed that partially alpha 0.05 on Main Board Companies there were four significant variables on Initial Return namely Financial Leverage, Offer Percentage, Investor Sentiment and Market Turnover. Whereas in Development Board Companies, Initial Return was affected by Investor Sentiment and Market Turnover. Simultaneously, both Main Board Companies and Development Board Companies showed that Financial Leverage, Return on Asset, Underwriter Reputation, Stock Offer Percentage, Investor Sentiment and Market Turnover affected significantly on Initial Return. The result of chow test showed that there was not difference of effect between independent variables in this study on Initial Return in Main Board Companies from Development Board Companies.

Key words : Initial Return, Financial Leverage, Return on Asset, Stock Offer Percentage, Investor Sentiment, Market Turnover, Main Board Companies, Development Board Companies