THE EFFECT OF SHARE OFFERING QUANTITIES, AGE COMPANY, SIZE OF THE COMPANY AND VALUE OF SHARE OFFER ON INITIAL RETURN

Arinta Dewi
Universitas Langlangbuana, Indonesia
Arintadewi2014@gmail.com

Abstract: Every company would want to expand the company, the capital market is an alternative. Shares are traded first on the primary market before traded on the secondary market. The purpose of this study was to determine the results of the study of the Stock Offer Quantity, Company Age, Company Size and the Value of the Stock Offer to the Initial Return. Back to the top Provide Stock Offer Feedback, Company Age, Company Size and Share Offer Value to the Initial Return. Sampling in this study using a purposive sampling method. The results of this test were carried out on 11 samples. This research was conducted on the Indonesia Stock Exchange (IDX), namely in the banking company that conducted a Public Offering (IPO) from 2012 to 2016. The results of research that refer to the Quantity of the Stock Offer are not related to initial returns, the age of the company changes to the initial returns, The size of the company affects the initial return, and the value of the stock offering affects the initial return. Simultaneously the Quantity of the Stock Offer, Company Age, Company Size, and the Value of the Shares Offering to the Initial Return.

Keywords: Share Offering Quantities, Age Company, Size of the Company, Value of Share Offer, Initial Return

INTRODUCTION

The capital market is an alternative for companies that will raise funds from the public. Shares are traded first on the primary market before traded on the secondary market. According to Santoso (2016) "At the time of pricing, there is a term underprice, which is where there are conditions where there is a positive difference between the stock price in the secondary market compilation of IPO shares with the price of shares offered in the primary market". More expensive compared to the company's stock price on the primary market Greater than the secondary market on the first day when conducting an IPO. This price difference is known as an initial return (IR) or a positive return for investors. According to Jogiyanto (2017) "the initial return is determined as the return obtained from the initial offer purchased on the primary market until it is first obtained in the secondary market". The underpricing phenomenon itself occurs because of the information asymmetry on the part of the public.

Researchers chose companies in the banking sector conducting an IPO as the object of research because they wanted to see how the development of companies in the banking sector conducting an IPO in generating initial profits would discuss investment for investors. Banking companies are one of the industries that participate in the capital market, banking companies are financial institutions that manage finance and banking companies as institutions that facilitate payment traffic. The financial industry is used in this study because financial companies are companies that do a lot of regulations issued by various institutions that publish the financial sector. Following are the banking sector companies conducting IPOs on the Indonesia Stock Exchange for the 2012-2016 period presented in table 1 which shows:

Table 1. Ipo Development in Banking Companies 2012-2016 Period

No	Kode	Perusahaan	Tahun IPO	Underpricing/ Overpricing
1	BJTM	Bank PembangunanJawa Timur Tbk	2012	Overpricing
2	BBMD	PT Bank Mestika Dharma Tbk.	2013	Underpricing
3	BMAS	PT Bank Maspion Indonesia Tbk.	2013	Overpricing
4	NAGA	PT Bank Mitraniaga Tbk.	2013	Underpricing
5	NOBU	PT Bank Nationalnobu Tbk.	2013	Underpricing
6	AGRS	PT Bank Agris Tbk	2014	Underpricing
7	DNAR	PT Bank Dinar Indonesia Tbk.	2014	Underpricing
8	BINA	PT Bank Ina Perdana Tbk.	2014	Underpricing
9	PNBS	PT Bank Panin Syariah Tbk.	2014	Stagnant
10	BBYB	PT Bank Yudha Bhakti Tbk.	2015	Underpricing
11	BBHI	PT Bank Harda Internasional Tbk.	2015	Underpricing
12	BGTG	PT Bank Ganesha Tbk.	2016	Underpricing
13	ARTO	PT. Bank Artos Indonesia Tbk.	2016	Underpricing

Source: data that has been processed by the author

Based on table 1 above, 13 companies made an initial public offering (IPO) on the stock exchange from 2012 to 2016, discussing 10 issuers that raised prices too low, 2 issuers who raised prices too expensive, 1 issuer was stagnant. Companies that raise prices are lower than companies that raise prices too high when companies make an Initial Public Offering. IPO can increase underpricing and overpricing so that it can affect initial earnings.

Research on the factors that influence initial returns has been carried out, but still yields different findings and inconsistent results. Researchers are interested in getting back empirical evidence that can help those in need. This study uses stocks that improve underpricing and overpricing in banking sector companies. The variables that will be offered in this study consist of independent variables which are company information, namely stock offering, company age, company size, and the value of the stock offer. The dependent variable is the initial return.

Research conducted by Yandes (2013) Research conducted by Narulita (2017) states that the company's age

and size of the company agree to an initial return. Putri & Asandimitra (2014) stated that the value indicates the initial price.

The research of Putri & Asandimitra (2014) determined the number of shares offered, the age of the company, and the size of the company showed no influence on initial returns.

Based on the background and previous research regarding the initial return that occurred at the IPO company in the banking subsector on the Indonesia Stock Exchange (IDX), there were inconsistencies. Inconsistencies that occurred in previous studies made researchers interested in researching with the title "Effect of Quantity Stock Offer, Company Age, Company Size, Value of Stock Offer Against Early Returns 2012-2016"

The purpose of this study was to determine the results of the study of the Stock Offer Quantity, Company Age, Company Size and the Value of the Stock Offer to the Initial Return. Back to the top Provide Stock Offer Feedback, Company Age, Company Size and Share Offer Value to the Initial Return.

According to Jogiyanto (2017) "The initial return is the return obtained

from purchases on the market, starting from the time it was purchased on the primary market until it was first registered on the secondary market".

Putri & Asandimitra (2014) stated that "The quantity of shares offered is the number of shares offered to the public. Large amounts sold in the secondary market will influence investors in deciding whether or not to buy shares in the company. "

Putri & Asandimitra (2014) stated that "The age of the company reflects that the company has survived and is evidence that the company can compete and can seize the business opportunities that exist in the economy".

According to Mulyawan (2015) states that "the larger a company, the greater the level of debt. Companies that are just opening up opportunities have low inflows in challenging profitable investment opportunities. The size of the company is determined as the logarithm of net sales. "

According to Santoso (2016) stated that the value of the issuance or the value of the stock offering can be used as a proxy to assess whether the company conducting the IPO is classified as a small company or a large company. Emission value is the total value of IPO shares offered to the public offered by the number of shares offered multiplied by the offer price.

METHODS

The data used in this study uses the type of quantitative data obtained from company information, both financial information and non-financial information companies in the banking sector who conducted a public offering on the Indonesia Stock Exchange for the period 2012 to 2016. Data obtained from idx.co. Indo. The population in this study were all banks listed on the Indonesia Stock Exchange (IDX) for the 2012-2016 period, namely 13 banks, while for the research needs, a sample of 11 banks was used. The banks consist of: East Java Regional Development Bank Tbk (BJTM), PT Bank Mestika Dharma Tbk (BBMD), PT Bank Maspion Indonesia Tbk (BMAS), PT Bank Mitraniaga Tbk (NAGA), PT Bank Nationalnobu Tbk (NOBU), PT Bank Agris Tbk (AGRS), PT Bank Dinar Indonesia Tbk (DNAR), PT Bank Ina Perdana Tbk (BINA), PT Bank Panin Syariah Tbk (PNBS), PT Bank Yudha Bhakti Tbk (BBYB), PT Bank Ganesha Tbk (BBYB) BGTG). The technique used in this research is Multiple Linear Regression Analysis, Multiple Correlation Analysis, Partial Hypothesis Test (T Test), and Simultaneous Hypothesis Testing (F Test.

RESULTS AND DISCUSSION

Table 2. Multiple Linear Regression Analysis

Coefficients^a					
Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
ʻ(Constant)	15.413	2.450		6.291	.001
Stock Offer Quantity	.153	.245	.096	.625	.555
Company Age	-1.325	.237	-.754	-5.585	.001
Company Size	1.091	.255	.681	4.281	.005
Value of the Stock Offer	-.447	.182	-.347	-2.459	.049
a. Dependent Variable: Initial Return					

Source: data that has been processed by the author

Based on the coefficient table above, the multiple regression equation is obtained as follows:

Y = 15,413 + 0,153 - 1,325 + 1,091 - 0,447

Then it can be discussed:
1. The constant value (a) is 15,413 meaning that if the Quantity of the Stock Offer, Company Age, Company Size and Share Value of the Value is 0 (zero), the Initial Return is 15.413.
2. Regression Coefficient X1 The Quantity of the Stock Offer obtained is 0.153. This value shortens the relationship between the Quantity of the Stock Offer and the Initial Returns which is positively related, so that if the value of other independent variables is valued permanently and the Stock Offer Quantity has an increase of Rp. 1, then the amount of the Initial Return will increase by Rp. 0.153.
3. Regression coefficient X2 Age of the Company obtained by -1.325. This value percentages the relationship between Company Age and Early Returns which is negatively related, so that if the value of other independent variables is fixed and the Age of the Company increases by Rp 1, then the number of Initial Returns will increase by Rp -1,325.
4. Regression coefficient X3 The size of the company obtained is 1,091. This value percentages the relationship between Company Size and Initial Returns which is positively related, so that if the value of other variables is fixed and the Quantity of the Stock Offering experiences an increase of Rp. 1, then the amount of Initial Returns increases by Rp. 1,091.

Regression Coefficient X4 Value of Stock Offer Obtained is -0,447. This value percentages the relationship between the Share Offering Value and the Initial Returns which is negatively related, so that if the value of other independent variables is fixed and the Share Offer Value rises by Rp 1, then the number of Initial Returns will increase by Rp -0,447.

Table 3. Multiple Correlation Analysis

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	R Square Change	F Change	df1	df2	Sig. F Change	Durbin-Watson
1	.680[a]	.463	.105	.51755	.463	1.292	4	6	.370	2.611

a. Predictors: (Constant), the value of the stock offer, stock offer, company age, company size

b. Dependent Variable: an initial return

Source: data that has been processed by the author

Based on the table above, information obtained from the value obtained (R) obtained between the Quantity of the Stock Offer, Company Age, Company Size, Value of the Shares Offers and the Initial Return is 0.680. Value of 0.680 according to Sugiyono (2017) according to the interval 0.60 - 0.799, including the strong category. Stock Offer Quantity, Company Age, Company Size, Stock Offer Value with Initial Returns at the banking sector companies conducting IPOs on the Indonesia Stock Exchange for the 2012-2016 period.

Table 4. Partial Hypothesis Test (T Test)

Coefficients[a]

Model	Unstandardized Coefficients B	Unstandardized Coefficients Std. Error	Standardized Coefficients Beta	t	Sig.
(Constant)	15.413	2.450		6.291	.001
Kuantitas Penawaran Saham	.153	.245	.096	.625	.555
Umur Perusahaan	-1.325	.237	-.754	-5.585	.001
Ukuran Perusahaan	1.091	.255	.681	4.281	.005
Nilai Penawaran Saham	-.447	.182	-.347	-2.459	.049

a. Dependent Variable: Initial Return

Source: data that has been processed by the author

From table 4 it can be seen that t arithmetic on variable X1 <from t table then H_0 is accepted and Hα is rejected, fully partial While for t arithmetic variables X2, X3 and X4> t table, then H_0 is rejected, meaning partially Company Age, Company Size and Value Stock Offer related to Initial Return.

Table 5. Simultaneous Hypothesis Testing (F Test)

ANOVA[a]					
Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	22.097	4	5.524	12.599	.004[b]
Residual	2.631	6	.438		
Total	24.727	10			

a. Dependent Variable: Initial Return

b. Predictors: (Constant), Stock Offer Value, Company Age, Stock Offer Quantity, Company Size

Source: data that has been processed by the author

Based on the results of data processing in the Anova table above, the Fcount value of 12,599 was obtained with a p-value (sig.) Of 0.004. with a significance value (α) of 0.05 with degrees of freedom df1 = 4 and df2 = (11-4-1) = 6, the Ftable of 4.53 is obtained. Because the F value is greater than the F table value (12.599> 4.53) and the significance value is 0.004 <0.05, H0 is rejected and H1 is accepted, made simultaneously, stock offering, company age, company size, and stock exchange value, following returns the beginning.

Effect of Quantity of Stock Offering (X_1) on Initial Return (Y)

Based on the research results obtained from the results of hypothesis research that is not found among the variable number of shares offer (X_1) to the initial return (Y), does not affect the demand for a share offering to the initial earnings as evidence for investors, then the stock offering cannot be used as a benchmark in seeing the quality of a company. This research shows that the smaller amount of shares offered to the public is not used by investors based on the amount offered with the amount offered, but also can offer shares offered can be published, the amount offered to the public is high yet certainly able to announce private company information.

Against the public offering, buying shares offered will not exceed the amount offered by the company to conduct an initial public offering (IPO) to get additional capital, not to get investors who will buy over the company, so the size of the excess stock offer does not affect the investor's decision to invest.

Effect of Company Age (X2) on Initial Return (Y)

Based on the research results obtained from the results of hypothesis research related to the age variable of the company (X2) on initial returns (Y), the effect of the company's age on initial earnings for investors to see the quality of the company can be seen that it takes a long time for the company to be available and able to survive. Adapted to a company that has long been established to have more and more extensive company information, investors can obtain that information quickly and easily. The longer the company, the more information that can be obtained by the public about the company, the company will long be known by the public, the old company is well known, investors will trust to invest in the company. Investors who hope the company has succeeded in reducing information asymmetry and reducing in the future.

Effect of Company Size (X3) on Initial Return (Y)

Based on the research results obtained from the results of research hypotheses that exist between the

variable company size (X3) on initial returns (Y), affect the size of the company to the initial preparation because the size of the large company can provide hope for investors to continue to grow and produce high returns. The size of the company valued the size of a company, determine the size of the scale of the company can be determined by the average value of the company. When investors read the company's prospectus, analyzing the size of the company through benchmarks using total income will provide an assessment of the company that provides both to develop the company and can meet spending, it can help in the future can be enriched to enlarge investors to make investments.

The Effect of Share Offer Value (X4) on Initial Return (Y)

Based on the results of the research obtained from the results of the hypothesis research that is found among the variable value of the stock offer (X4) to the initial return (Y), the effect of the value of the stock offer to the initial return is estimated to be the size of the shares offered to the public used by investors in the investigation to buy the company's shares, the size of the shares offered is the size of the funds received by the company from investors. Stock offering price is also one of the factors influencing the value of the stock offering to the initial return, the high and low price of shares per sheet offered by the company is expected to determine the size of the future price, will increase the price of supply and demand in the secondary market. Pricing at the price quote for the first company offered to the public. Investors appreciate the shares offered will give more. With the higher share offering value, it will be easier for investors to invest capital in the company.

Stock Offer Quantity (X1), Company Age (X2), Company Size (X3) and Stock Offer (X4) Value of Initial Return (Y)

Based on the results of the research obtained from the hypothesis made by the company based on the results of the study, the age of the company, the size of the company and the value of the stock offer to the initial return, stock quote request, company lifetime, company size and the value of the stock offering offered complete company information to decide to invest in a company Complete information will reduce investment opportunities for the company's prospects, compile the prospects of a good company so investors will not hesitate to invest in the company. The company must add information so that investors can more quickly and easily obtain the information needed, complete company information will replace the payment asymmetry of information where one party requires more information than the other party. The higher the value of the stock offering that occurs in the secondary market, the greater the price increase in the secondary market and at the time of the IPO.

CONCLUSIONS

The results showed an initial offer of initial returns. No effect on the offer of shares on the initial return which is evidence for investors, offering shares that cannot be done by benchmarking to see the quality of a company.

The results showed that the company influence on the initial return. For investors to see the quality of the company can be seen a long time the company has been established and able to survive

The results showed that company size reflects an initial return. The size of the company can affect the size of the initial return.

The results showed the value of the stock offer to the initial return. The size of the number of shares offered by the public is taken by investors in deciding to buy the company's shares.

REFERENCES

Jogiyanto, H.M. (2017). *Teori Portofolio dan Analisis Investasi. Edisi Sebelas.* Yogyakarta: BPFE.

Mulyawan, Setia. 2015. *Manejemen Keuangan*. Bandung: Pustaka Setia

Narulita, Y. (2017). "Pengaruh Kuantitas Penawaran Saham, Umur perusahaan dan Ukuran Perusahaan Terhadap Initial Return Pada Perusahaan yang Terdaftar Di Bursa Efek Indonesia Periode 2011-2015". http://digilib.unila.ac.id/27542/3/SKRIPSI%20TANPA%20BAB%20PEMBAHASAN.pdf

Putri, S. & Asandimitra, N. (2014). "Pengaruh Kuantitas Penawaran Saham, Nilai Penawaran Saham, Umur Perusahaan dan Ukuran Perusahaan Terhadap Return Awal dan Return 15 Hari Setelah IPO Tahun 2010-2012". http://jurnalmahasiswa.unesa.ac.id/index.php/jim/article/view/11168

Santoso, Edwin. 2016. *Constant Profit from IPO stockc*. Jakarta: Elex Media Komputindo.

Sugiyono. 2017. *Metode Penelitian Kombinasi*. Bandung: Alfabeta

Yandes, J. (2013). "Fenomena *Underpricing* Saham Yang Dipengaruhi Faktor Internal dan Eksternal Studi Pada Perusahaan Go Public Yang Terdaftar Di BEI. http://digilib.unila.ac.id/10638/13/SKRIPSI%20%27JUFRI%20YANDES%27%20%280916051044%29%20ADMINISTRASI%20BISINS%20FISIP%20UNILA%20.pdf