



TABLE OF CONTENTS

| | |
|---|-----|
| PREFACE AND ACKNOWLEDGEMENTS | ii |
| ABSTRACT | iii |
| TABLE OF CONTENTS | 1 |
| CHAPTER 1 Introduction | 2 |
| CHAPTER 2 Literature review | 5 |
| 2.1 Introduction to IPO Pricing | 5 |
| 2.1.1 Underpricing | 5 |
| 2.1.2 Price Support | 6 |
| 2.2 Types of Aftermarket Price Support | 6 |
| 2.3 Determinants of Aftermarket Price Support | 8 |
| 2.3.1 Price Risk and Aftermarket Price Support | 9 |
| 2.3.2 Underwriter's Reputation and Aftermarket Price Support | 10 |
| 2.3.3 Investors' and Aftermarket Price Support | 11 |
| CHAPTER 3 Methodology | 12 |
| 3.1 Introduction to Research Methodology | 12 |
| 3.1.1 OLS Regression | 12 |
| 3.1.2 Logistic Regression | 14 |
| 3.1.3 Multicollinearity and Heteroskedasticity Test | 15 |
| 3.1.4 AIC and BIC | 15 |
| 3.2 Indirect Measures of Aftermarket Price Support | 15 |
| 3.3 Regression Models of Indirect Price Support Measures | 17 |
| 3.3.1 OLS Regression for Indirect Measures | 17 |
| 3.3.2 Logistic Regression for Determinants of Aftermarket Price Support | 20 |
| CHAPTER 4 Data and Statistics | 23 |
| 4.1 Sample Data | 23 |
| 4.2 Descriptive Statistics | 23 |
| CHAPTER 5 Empirical Results | 27 |
| 5.1 Results for Indirect Measures of Price Support | 27 |
| 5.2 Results for Determinants of Aftermarket Price Support | 28 |
| 5.2.1 Price Risk and Aftermarket Price Support | 28 |
| 5.2.2 Underwriter's Reputation and Aftermarket Price Support | 29 |
| 5.2.3 Investors' Demand and Aftermarket Price Support | 29 |
| CHAPTER 6 Conclusion | 32 |
| REFERENCES | 34 |
| APPENDIX 1 | 37 |
| APPENDIX 2 | 39 |
| APPENDIX 3 | 40 |