

An Investigation for Information Asymmetry Nexus IPO Under-Pricing: A Case of Pakistan

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Abstract : This study intends to investigate the information asymmetry theories of IPO and under-pricing in Pakistan. The purpose of the study is to validate the information asymmetry about firm value which leads to under-pricing. A total of 55 IPOs listed from 2000-2011 were included in this study. OLS multiple regression was applied to achieve the objectives of this study. The findings of the study confirm the significance of information asymmetry on under-pricing in Pakistan. The findings have implications for issuing firms and prospective investors.

Keywords : information asymmetry, initial public offerings, under-pricing, firm value

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