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An Empirical Study of Recent IPOs in the U.S. Markets

Kevin Kalus

Illinois Wesleyan University

Zhenhu Jin, Faculty Advisor

Illinois Wesleyan University

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Poster Presentation 43

AN EMPIRICAL STUDY OF RECENT IPOs IN THE U.S. MARKETS

Kevin Kalus and Zhenhu Jin*

Business Administration Department, Illinois Wesleyan University

An Initial Public Offering occurs when a privately held company goes public by selling part of the ownership in exchange for new capital. Fueled by a continuing bull market, there have been more IPOs than ever before in the last three years. The purpose of this research project is to examine a sample of IPOs in the last six years to see the average initial, first day and six-month returns. We further investigate whether the returns are affected by the initial market capitalization, the size of the initial offer, the actual initial price vs. the proposed offer price, the year the IPO took place and the trade volume. Our sample includes a total of 200 IPOs with 100 Internet related firms and 100 Non-Internet related firms. This will enable us to study the differences and similarities between Internet and Non-Internet IPOs.