

## **ABSTRACT**

*This research focuses on studying the effect of independent variables underpricing and debt to asset ratio to the dependent variable trading volume of IPO (Initial Public Offering) at the time of the first listing on secondary market at Indonesia Stock Exchange.*

*This study is a development of previous research that conducted by Yüksel (2006), and Khodavandloo & Zakaria (2016) who studied the effect of underpricing and debt measured using the debt to asset ratio which effect on trading volume in the secondary market. The sample population in this study is a company that did an IPO at the period 2007 - 2015 in the Indonesia Stock Exchange. The analytical method used in testing variable in this study using multiple regression analysis.*

*The results in this study is that there is a significant positive effect between independent variables underpricing to the trading volume and the significant negative result between variable debt to asset ratio to the trading volume as dependent variable. This result is due to high investor interest to get the returns directly when the IPO first listings in secondary market and investors tend to avoid stocks that have the solvency and financial problems.*

*Keywords: Underpricing, IPO, the volume of trade, debt to asset ratio*