



# Number of IPO Review Issues and Firms' Stock Market Performance

## —Take the Science and Innovation Board as an Example

Youlin Feng

Sichuan Agricultural University, College of Commerce and Tourism, Chengdu, China

1306590933@qq.com

**Abstract.** The result of IPO value audit is not only a key factor affecting whether the enterprise can be listed, but also an important reflection of the enterprise's own operating conditions. Referring to Zhang Guangli's (2019)[5] article in Economic Research, this paper focuses on the IPO value audit opinion information for the Science and Technology Creation Board (STB) enterprises and adopts the OLS model to study the relationship between the number of IPO audit issues and the enterprise's stock market performance with the 289 companies listed in STB as an example. The empirical results show that the number of IPO audit questions is negatively correlated with the degree of IPO price suppression, the risky return of corporate stocks and the operational efficiency of corporations.

**Keywords:** audit questions, IPO price suppression, technology innovation board, market performance.

## 1 Introduction

As an emerging board in recent years, Science and Innovation Board (SIB) is different from GEM and Main Board in that SIB has brand new listing rules and issuance system, at the same time, its listing threshold is lower, and the disclosure of IPO information of SIB should be more real, complete and comprehensive[2], which makes many enterprises in the course of development to get a greater return, they have to make a high-quality guarantee of their own disclosure of information. . China's science and innovation board started late, there are still a lot of gaps in the IPO audit information disclosure related research on science and innovation board, coupled with the IPO price suppression has been a hot spot for domestic and international academic discussions, this paper will focus on the relationship between the information disclosure of science and innovation board and the IPO price suppression level of the company after listing, the risk of the stock return, the enterprise operating efficiency. It is hoped that this paper can provide reference value to the listed companies in KTC while increasing related research.

## **2 Literature Review**

### **2.1 Studies Related to IPO Review and IPO Price Suppression**

One of the key steps in the IPO process of an enterprise is IPO pricing. In real life, there is information asymmetry between stock issuers and investors, and in order to convey effective information about the strength of the enterprise to investors, stock issuers will attract investors by lowering the price of the stock offering, which is also known as IPO price suppression. IPO price suppression not only harms the interests of the original shareholders, but also makes the enterprise to bear huge costs, but because of this, the company that does not have strength often cannot afford the cost of IPO price suppression, which makes IPO price suppression a very important step. However, because of this, companies that are not strong can not afford the cost of IPO price suppression, which makes IPO price suppression sends a signal to investors about the strength of the company itself, so that investors can choose to invest in strong companies based on the price suppression of the company's stock. Scholars such as Li Xuan (2021) and others found that compared with U.S.-bound listed companies, the overall level of risk information disclosure of domestic listed companies is lower, and there is a convergence of risk information disclosure across companies, and risk information disclosed by domestic companies at IPOs does not have a significant effect on IPO price suppression in general[1]; this is different from the finding of Zhang Guangli (2021) and others that: the more questioned a company is during its IPO, the higher the cost of going public, the shorter the number of days of sustained stock price increase after IPO, and the smaller the degree of IPO price suppression[5]. This is different from the finding of Zhang Guangli (2021) and others that the higher the level of skepticism during the IPO, the higher the cost of going public, the shorter the number of days of sustained stock price increase after the IPO, and the smaller the degree of IPO price suppression[5].

### **2.2 Research Related to IPO Audit and Risk-return of Enterprise Stock**

The important material in the IPO process that can make judgments and predictions about the profitability and risk of enterprises after listing is the prospectus. Among them, Arnold (2010)[11] found that the higher the degree of ambiguity of information disclosure in the prospectus and the greater the content of uncertain words, the higher the risk level of the enterprise after listing; Yan (2019)[9] found that the more negative words in the prospectus, the greater the uncertainty of the future operation of the enterprise, and the higher the risk suffered by the enterprise with the sample of the study of Chinese listed enterprises, which is similar to the study of Zhang Guangli et al. (2021)[5] in their study of the number of audit questions raised by the issuance review committee during the IPO audit process and the degree of future risk of the firms. In addition, Zhang Guangli et al. (2021) also found that the more audit questions a company has during the IPO process, the greater the likelihood that the company's earnings will suddenly change to a loss when announcing earnings, i.e., the possibility of a "performance change"[5].

### 2.3 Research related to IPO audit and enterprise market operation efficiency

The enterprise market operation efficiency here refers to the profit growth rate of enterprises in the first year after IPO, i.e., the level of profitability growth of enterprises in the first year after IPO, which is an important indicator of whether enterprises improve their profitability in the stock market after IPO. Scholar Li Yuanpeng (2009) found that profit manipulation in the IPO process is an important reason for the reduction of corporate profits after IPO and found that the fluctuation of the macroeconomic cycle is consistent with the operational performance of listed companies after controlling for the IPO effect[6]; Fang Junxiong(2014)found that firms that colluded with the media in their IPOs have poorer quality of their post-IPO accounting surplus, and their post-IPO operational efficiency slippage probability is also higher[2]; Chen Yunsen (2019) et al. find that the more times the same financial report is questioned, the greater the reduction in surplus management in that year[8]This is consistent with the findings of Zhang Guangli et al. (2019)[5]in their study of IPO disclosure and firms' post-IPO profitability.

### 2.4 Literature Review

Combining all of the above literature, we find that: in terms of IPO price suppression, scholars have not reached a unanimous conclusion; in terms of stock risk-return after the listing of the enterprise, scholars agree that the more information disclosure problems in the process of IPO, the higher the risk of future development of the enterprise; in terms of the operating efficiency of the enterprise, the greater the degree of uncertainty in the enterprise's operation and the more irregularities it carries out, the lower the efficiency of its operation. From this, we conclude that the more uncertain terms in the prospectus indicate the worse the operating efficiency of the enterprise, and the worse the stock market performance of the enterprise. In this paper, we draw on the article of Zhang Guangli (2019)[5]to take the science and innovation board listed enterprises as the research object, and measure the good or bad operation of the enterprise by the number of audit problems in the IPO audit process, in which the science and innovation board is an emerging segment of China's stock market, and there are many similarities with other segment markets, so we can draw a similar inference that: the more audit problems there are in the IPO process of the enterprises in the science and innovation board market, the more business problems, the worse the stock market performance of the enterprises.

## 3 Theoretical Foundation and Research Hypothesis

This paper focuses on the impact of information uncertainty at the firm's operating level on the phenomenon of IPO price suppression, and the theory with the highest relevance to this perspective is the quality signaling theory, which argues that firms with better operating conditions tend to attract more investors to invest by suppressing the stock price of their offerings, a process that incurs a high cost of price suppression. Firms that are poorly run in that segment are often unable to bear that cost, while firms that are

well run can be compensated by more refinancing from future investors. Suggesting that good firms have the ability to bear the cost of IPO price suppression, while poor firms do not have the ability to do so, we expect that the more problems the issuance committee reviews, the worse the firm's business condition is, and the lower the level of the firm's IPO price suppression is. This leads to Hypothesis 1:

H1: Other things being equal, the more the number of audit issues a firm has during the IPO process, the lower the firm's IPO price suppression level will be.

IPO is a key step for an enterprise to change from a private company to a public shareholding company, and the prospectus records a large amount of information about the enterprise, including its growth history, governance structure, financing purpose, business technology, corporate strategy, risk factors and countermeasures, etc. This information is not only a key factor affecting whether the enterprise can be listed, but also a direct reflection of the enterprise's operating conditions, and the review and approval committee's opinion based on this. Based on this, the audit questions can fully reflect the problems that exist in the enterprise's operation control and internal structure, etc. Therefore, the higher the number of audit questions, the higher the number of problems. Therefore, the higher the number of audit issues means the greater the problems in operation, the greater the unreliability of the enterprise's operation in the future, the more difficult to survive in a specific risk environment after listing, and the smaller the chances of seizing the opportunity to obtain abnormal returns in a risky environment. Based on this, we expect that the more problematic a firm's subcategories are, the more unstable its operating conditions are, and the smaller the risky return on the stock is. This leads to Hypothesis 2:

H2: All other things being equal, the higher the number of audit issues a firm has during the IPO process, the lower the risky return on equity after the firm's IPO.

Prospectuses contain useful information such as financial statements, internal asset structure, product quality reports, etc., which are responses to uncertainties at the firm's operating level, and the members of the IPO audit committee provide professional audit opinions on the firm's operating level based on this information, so in the IPO audit results, if the number of audit issues of a firm is higher, it means that there are potential. Therefore, in the IPO audit results, the higher the number of audit problems of a firm, the more it means that the firm has potential operational problems, and the more problematic the firm is, the less efficient it is likely to be in the stock market in the future. This leads to Hypothesis 3:

H3: Other things being equal, the more audit problems a firm has during the IPO process, the less efficient the firm's operation will be after the IPO.

## **4 Research Design**

### **4.1 Sample Selection and Data Source**

Since each enterprise has only one IPO issuance opportunity, i.e., each relevant variable only corresponds to unique data and does not change with the year, the research in this paper is based on cross-sectional data. This paper selects the companies listed on the Science and Innovation Board in 2021 as the research samples, and after eliminating

all the samples with missing data, we finally obtain the relevant data of 289 companies, and the financial data data of listed companies in this paper come from the Cathay Pacific database, the wind database, and the number of audit questions come from the official website of the Securities and Futures Commission, respectively.

## 4.2 Definition of Variables

### Explained Variables.

Referring to the method of Zhang Guangli et al. (2021)[5], the explanatory variables are IPO price suppression rate (Underprice), stock return on risk (CAR), and corporate operational efficiency (G\_earning). Due to the existence of IPO stock increase restrictions during the sample period, this paper will refer to the methodology of Zhangkai Huang (2016) and others[3] to calculate the IPO stock suppression rate (Underprice). Where IPO premium rate (Underprice) is a test of hypothesis H1; stock risk return (CAR) is a test of hypothesis H2; and business operating efficiency (G\_earning) is a test of hypothesis H3.

### Explanatory Variables.

In this paper, we refer to the method of Zhang Guangli et al. (2021)[5], and the number of small categories of audit questions raised by the Issuing and Reviewing Committee (IRC) is used as an explanatory variable.

### Control Variables.

Referring to the methodology of Wei et al. (2019)[4], the control variables are set as pre-IPO debt level (Lev\_b), pre-IPO profitability (Roa\_b), IPO waiting period (Time\_wait), firm size (Size\_b), cumulative return on the market (CR\_b), market volatility (SD\_b), IPO issue price (Isoi), IPO day market closing index (Mciold), and market closing index on the day before listing (P-Mciold).

## 4.3 Modeling

$$y_i = a_0 + \alpha_1 x_i + \alpha x \sum_{n=1}^9 control + \mu_i$$

OLS is one of the most fundamental forms of regression analysis, which requires the least modeling conditions, that is, to minimize the sum of squares of the distances from all observations on the scatter plot to the regression straight line, and it is applicable to data models with linear relationships, stability, multicollinearity, and normality, and in this paper, we study the linear relationship between the number of IPO audit issues and IPO price suppression, stock return risk, and firms' operating efficiency, and then refer to the literature of Zhangkai Huang (2016) and others[3], and simplify it to conduct regression analysis with this model.

In this model  $y_i$  is the explanatory variable, which will be measured by the IPO price suppression rate, stock return risk, and business efficiency respectively, where IPO price suppression rate is a test of hypothesis H1, stock return risk is a test of hypothesis H2, and business efficiency is a test of hypothesis H3;  $x_i$  is the explanatory variable of the model, which will be measured by the number of small-category audit questions;  $\sum_{n=1}^9 control$  are nine types of control variables, which are pre-IPO debt level, pre-IPO profitability, IPO waiting period, firm size, market cumulative returns, market volatility, IPO issue price, market closing index on the day of IPO, and market closing index on the day before IPO.

## 5 Empirical Analysis

### 5.1 Descriptive Statistics of Main Variables

The descriptive statistics of the main variables in this paper are shown in Table 1, in which the maximum value of IPO price suppression rate is 0.922, the minimum value is -0.583, and the average value is 0.467, which can be seen in the IPO price suppression rate of the difference is large, and the overall rate of price suppression is high, on the one hand, it shows that the companies listed on China's science and technology innovation board on the overall inhibition of the stock price is high, and the more the stock suppression the more it attracts investors, and also reflects that China's Science and Innovation Board is more attractive to investors, on the other hand, only companies with better business conditions have the strength to bear the cost of stock suppression issuance, and the generally high IPO suppression rate of China's Science and Innovation Board also indicates that China's Science and Innovation Board-listed companies have better overall development.

The maximum value of stock risk-return is 12.530, the minimum value is -0.523, and the average value is 1.090, which shows that the stock risk-return of China's Techchina market varies a lot, but the overall is not too high, which on the one hand indicates that the market of China's Techchina tends to stabilize and the chances of enterprises suffering from a specific risky environment are declining, and on the other hand indicates that China's Techchina enterprises are generally facing a risky environment with a weak ability to turn risk into gain, and also indicates that China's Techchina enterprises are generally better developed. On the other hand, it indicates that the ability of enterprises on China's Science and Innovation Board to turn risk into profit when facing a risky environment is generally weaker, and it also indicates that there is still more room for the development of companies listed on China's Science and Innovation Board.

The maximum value of enterprise operating efficiency is 6.819, the minimum value is -6.004, and the average value is 0.715, which shows that there is a big difference in the growth of profitability of the mayors of China's Science and Technology Innovation Board (STB) after listing, and the overall growth is relatively small, which indicates that there is still a lot of room for the profitability to rise in the market of China's STB, and that it is still in the stage of slower growth of revenues; the maximum value of the number of problems in small categories is 32.000, the minimum value is 1.000, and the

average value is 7.257, which shows that the number of small class questions after the IPO audit of different companies varies greatly.

**Table 1.** Descriptive statistical analysis

variant	observed value	average value	standard deviation	minimum value	maximum values
Underprice	289	0.467	0.305	-0.583	0.922
CAR	289	1.090	1.574	-0.523	12.530
G-earing	289	0.715	3.742	-6.004	6.819
Q-small	289	7.257	4.989	1.000	32.000
Lev-b	289	34.997	18.301	2.774	97.419
Roa-b	289	11.339	21.718	-123.473	103.029
Time-wait	289	11.571	2.463	8.000	21.000
Size-b	289	20.641	0.873	17.879	25.012
CR-b	289	0.020	0.098	-0.226	0.249
SD-b	289	0.169	0.027	0.122	0.232
Isoi	289	3.260	0.844	0.199	6.324
Mciold	289	8.438	0.109	8.203	8.646
P-Mciold	289	8.438	0.110	8.186	8.630

## 5.2 Benchmark Regression Analysis

### Impact Test on IPO Price Suppression Rate.

As shown in Table 2 model (1), the number of audit issues in the IPO audit results and the IPO price suppression rate is significantly negatively correlated at the 5% level, i.e., for every 1 unit increase in the number of audit issues, the IPO price suppression rate will decrease by 0.04 units, thus hypothesis H1 is verified, i.e., the more the number of audit issues is, the lower the IPO price suppression rate is. According to the signal theory[7], due to the information asymmetry between listed companies and investors, listed companies in order to attract investors to invest in the market will transmit information in favor of the company, and the share price is one of the key factors that investors consider when investing in the same conditions, the lower the share price, the more attractive to attract investors to invest in the more easy to raise funds, so many companies in order to give investors to transmit positive signals for investment Therefore, in order to send positive investment signals to investors, many companies tend to issue shares at a depressed price, i.e., at a price lower than the face value of the shares themselves. However, in order to realize the price-suppressed issue, the company needs to invest a large amount of price-suppressed cost in the early stage, in the hope that the subsequent attraction of investors to invest and then be compensated for, to achieve the purpose requires the company to have a stable economic inflow, and at the same time can be sustained development, in order to be able to bear the cost of price-suppression in the pre-listing, listed after the recovery of the cost of price-suppression and realize profitability. Such companies tend to have a clear internal structure, better management control, and fewer problems, which is reflected in the IPO audit issues that the number

of audit issues is less, so the more the number of corporate audit issues, the lower the IPO price suppression rate. This is consistent with the results of Zhang Guangli (2019) in the study of information quality and IPO price suppression rate[5], and this paper is aimed at the science and innovation board enterprises, so it can be seen that the number of IPO audit problems in the field of science and innovation board also has a very important reference significance to the IPO price suppression rate of enterprises.

### **Impact Test on Stock Risk Return.**

From the model (2) in Table 2, it can be seen that the number of small categories of issues is significantly negatively correlated with the risk of stock returns at the 1% level, i.e., for every increase of 1 unit in the number of audit issues, the risky return on stock decreases by 0.044 units, and thus the hypothesis H2 is verified, i.e., the higher the number of audit issues, the higher the risky return on stock of the enterprise. This phenomenon can be analyzed from the following two aspects: on the one hand, according to the reputation theory[10], the higher the number of audit problems, the worse the corporate reputation, investors tend not to invest, resulting in the poor performance of such companies in the stock market, at this time, investors who already hold the stock in a specific risk period to obtain the abnormal return opportunities will become smaller, the lower the return on stock risk; on the other hand, the return on stock risk is the On the other hand, the stock risk return is a reflection of the cumulative abnormal returns of the company in a specific environment. The more audit problems a company has, the worse its operating conditions are reflected, and it is difficult to stabilize its own stock price in a specific risk environment, which is even more detrimental to seizing the opportunity to obtain abnormal returns, and the lower the risk return on its stock is.

### **Impact on Business Efficiency Test.**

From the model (3) in Table 2, it can be seen that the number of audit problems is significantly negatively correlated with the operating efficiency of the company at the 10% level, and for every unit increase in the number of audit problems, the operating efficiency of the company decreases by 0.06 units accordingly, which leads to the verification of hypothesis H3, that is, the more the number of audit problems in small categories, the lower the operating efficiency of the company after listing. The number of audit problems is a reflection of the company's internal business conditions, the more audit problems, indicating that the company's internal problems are greater, reflected in the company's operating level is not good business conditions, profit growth rate is one of the important indicators of measuring the company's business conditions, the greater the problem of the company's business conditions are also the worse, the lower the operating efficiency. Therefore, the greater the number of problems in the subcategories of IPO audit, the lower the operating efficiency of the company after listing.

### **Impact Test on Control Variables.**

Model (1) in Table 2 shows that the market cumulative gain and IPO issue price have a significant positive effect on the IPO suppression rate. The higher the market



cumulative gain indicates that the company's income after listing is more, reflecting the better the company's operating conditions, according to the signal theory[7], the better the operating conditions of the company, the better the signal to investors, as investors are more concerned about the stock price factor when investing, so in order to convey favorable information, the company will cater to investor preferences, which is reflected in the stock price is to reduce the stock price, i.e., price suppression of the issuance price to attract The company will lower the price of the stock, i.e., issue at a depressed price, to attract investors. A good company can bear the cost of price-suppressed issuance and be sure to obtain higher returns in the following, so the higher the market cumulative return, the better the company's business condition, the higher the IPO price-suppressed rate. From model(3), this paper finds that pre-IPO profitability is significantly and positively correlated with firms' operating efficiency at the 1% level, which also indicates that firms with better pre-IPO profitability will still continue to perform well on the S&T board.

**Table 2.** Benchmark regression analysis

variant	(1) Underprice	(2) CAR	(3) G-earning
Q-small	-0.004** (0.003)	-0.044*** (0.016)	-0.060* (0.063)
Lev-b	0.001 (0.001)	0.002 (0.005)	-0.018 (0.021)
Roa-b	0.002** (0.001)	-0.000 (0.004)	0.012*** (0.017)
Size-b	0.003 (0.006)	-0.032 (0.034)	0.061 (0.128)
Time-wait	-0.015 (0.019)	-0.213* (0.111)	-0.147* (0.462)
CR-b	1.023*** (0.170)	-5.847*** (1.007)	-0.021* (5.610)
SD-b	2.561*** (0.605)	-1.429 (3.443)	19.915 (14.077)
Isoi	-0.002*** (0.000)	-0.004*** (0.002)	0.006** (0.009)
Mciold	-0.182 (0.945)	9.939 (7.661)	-50.935 (30.898)
P-Mciold	0.509 (0.934)	-3.743 (7.603)	51.811* (30.306)
constant term	-2.452* (1.328)	-45.593*** (7.255)	-8.120 (37.343)
N	289	289	289
R <sup>2</sup>	0.339	0.342	0.080

Note: \*\*\* p<0.01 \*\* p<0.05 \* p<0.1 (below); robust standard errors in parentheses (below).

## **6 Conclusions and Recommendations**

### **6.1 Conclusion**

This paper takes the 289 companies listed on the Kechuan Board in 2021 as the research sample, collects relevant data on the official website of the Securities and Futures Commission, the Cathay Pacific database, and the wind database, and uses the OLS model to regress the data, and uses the number of small class audit problems as the explanatory variable, and the IPO price suppression rate, the stock risk return, and the enterprise operating efficiency as the explanatory variables, and after conducting a series of analyses, it is found that: the number of small class problems The number of questions is significant at 5%, 1% and 10% level with IPO price suppression rate, stock risk return and enterprise operating efficiency respectively, and all of them are negatively correlated. Taken together, it can be concluded that: in the field of science and innovation board, the number of IPO audit issues is closely related to the performance of enterprises in the stock market after listing, and the higher the number of audit issues, the smaller the IPO price suppression degree, risk return, and operational efficiency of enterprises.

### **6.2 Recommendations**

As China's stock market formally shifts to the registration system, the findings of this paper provide us with two important insights.

First, at the firm level, strengthen the transparency of information disclosure of the KSC firms. This will, on the one hand, help companies to better predict their own development prospects, to make timely use of their strengths and avoid their weaknesses, to actively cater to the direction of market development, and to make decisions that are both conducive to the development of the enterprise and to the smoothness of the market order; on the other hand, full disclosure of information helps to balance the problem of information asymmetry between the enterprise and the investor, so that the investor can receive timely and high-quality information about the enterprise, and make more correct investment decisions, thus bringing a positive impact on the development of the industry. Thus, it brings positive impact on the development of the industry.

Second, at the investor level, optimize the investor structure and encourage the emergence of institutional investors. For ordinary shareholders, it is relatively difficult to identify major risks and maintain a high degree of sensitivity to the market, but if there are institutional investors, ordinary shareholders will be entrusted with the management of funds to institutional investors, then the possibility of major risks will be much lower. Particularly in the KIC market, due to the low listing threshold, coupled with the implementation of the registration system, it is inevitable that some companies will fish in troubled waters, and at this time, if there are no rational investors, it will inevitably lead to market chaos, which will damage not only the interests of investors, but also the interests of the entire KIC market.

## References

1. Li Xuan, Bai Yunxia. (2021) Risk disclosure of IPO firms and its impact on IPO price suppression - Empirical evidence based on Chinese U.S.-bound listed companies and domestic A-shares. *Management Review*, 33(07):29-42. doi.org/10.14120/j.cnki.cn11-5057/ f.2021.07.003.
2. Fang, Junxiong. (2014) Information Disclosure, Governance Environment and Media Alienation - Preliminary Findings Based on Paid Silence in IPOs. *Management World*, (11): 95-104. doi.org/10.19744/j.cnki.11-1235/f.2014.11.010.
3. Zhangkai Huang, Jinyu Liu, Guangrong Ma. (2016) Geography, high speed rail and information: evidence from China's IPO market. *World Economy*, 2016, 39(10): 127-149. doi.org/10.19985/j.cnki.cassjwe.2016.10.007.
4. Wei C-H, Zeng A-M, Wu Y-H. (2019) Can the first-day IPO price limit policy curb investors' "news speculation"? *Management World*, 35(01):192-210. doi.org/10.19744/j.cnki.11-1235/f.2019.0014.
5. Guangli Zhang, Huili Xue, Hao Gao. (2021) Corporate IPO value review and stock market performance. *Economic Research*, 56(10): 155-171. <https://www.cnki.net>.
6. Li Yuanpeng. (2009) The mystery of the divergence between economic cycles and the operating performance of listed companies. *Economic Research*, 44(03): 99-109. <https://www.cnki.net>.
7. Allen Franklin, Faulhaber Gerald R. (1989) Signalling by underpricing in the IPO market. *Journal of Financial Economics*, 23(2):303-323. <https://www.proquest.com/accounted=178503>.
8. Chen Yunsen, Deng Yilu, Li Zhe. (2019). A study of the effectiveness of frontline supervision in stock exchanges: evidence based on financial reporting inquiry letters. *Management World*, 35(03): 169-185. doi.org/10.19744/j.cnki.11-1235/f.2019.0042.
9. Yan, Y., X. Xiong, J. G. Meng, and G. Zou. (2019) Uncertainty and IPO initial returns: Evidence from the Tone Analysis of China's IPO Prospectuses. *Pacific-Basin Finance Journal*, 57: 1-22. <https://repository.ust.hk/dspace>
10. Beatty, Ritter. (1986) Investment Banking, Reputation, and Underpricing of Ipos. *Journal of Financial Economics*, 15(1-2): 213-232. <https://academic.research.microsoft.com>.
11. Arnold, T., R. P. H. Fische, and D. North. (2010) The Effects of Ambiguous Information on Initial and Subsequent IPO Returns. *Financial Management*, 39(4):1497-1519. <https://scholar.google.com>.

**Open Access** This chapter is licensed under the terms of the Creative Commons Attribution-NonCommercial 4.0 International License (<http://creativecommons.org/licenses/by-nc/4.0/>), which permits any noncommercial use, sharing, adaptation, distribution and reproduction in any medium or format, as long as you give appropriate credit to the original author(s) and the source, provide a link to the Creative Commons license and indicate if changes were made.

The images or other third party material in this chapter are included in the chapter's Creative Commons license, unless indicated otherwise in a credit line to the material. If material is not included in the chapter's Creative Commons license and your intended use is not permitted by statutory regulation or exceeds the permitted use, you will need to obtain permission directly from the copyright holder.

