



Applied Economics Letters >

Volume 22, 2015 - [Issue 14](#)

418 | 9 | 0
Views | CrossRef citations to date | Altmetric

Original Articles

The impact of pricing mechanism reform on underpricing of initial public offerings in China

Danlin Pu & Shanping Wang

Pages 1144-1149 | Published online: 13 Feb 2015

Cite this article <https://doi.org/10.1080/13504851.2015.1011303>



Sample our
Economics, Finance,
Business & Industry Journals
>> [Sign in here](#) to start your access
to the latest two volumes for 14 days

Full Article

Figures & data

References

Citations

Metrics

Reprints & Permissions

Read this article

Share

Abstract

Using a sample of initial public offerings (IPOs) (A-shares) at the Shanghai Securities Exchange from 2003 to 2007, we examine the effect of introducing the bookbuilding method upon IPO underpricing in China. The results show that after the pricing mechanism reform, the underpricing of IPOs was significantly higher than that of fixed price offerings. The possible reason is that underwriters have no discretionary allocation in the hybrid bookbuilding/open offer method.

Keywords:

initial public offerings

bookbuilding method

underpricing

fixed price offerings

JEL Classification:

Additional information

Funding

This work was supported by the Key Program of the National Natural Science Foundation of China [grant number 71431008], the National Natural Science Innovation Research Group of China [grant number 71221001], the National Nature Science Foundation of China [grant number 71301047], and the risk-oriented auditing research centre in Hunan province.

Related research

People also read

Recommended articles

Cited by
9

Information for

Authors

R&D professionals

Editors

Librarians

Societies

Opportunities

Reprints and e-prints

Advertising solutions

Accelerated publication

Corporate access solutions

Open access

Overview

Open journals

Open Select

Dove Medical Press

F1000Research

Help and information

Help and contact

Newsroom

All journals

Books

Keep up to date

Register to receive personalised research and resources by email

 Sign me up

