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PERCEPTION OF INVESTORS TOWARDS INITIAL PUBLIC OFFERING

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ABSTRACT

The aim of this research is to empirically investigate the perception of investors towards IPO. The research is based on primary data which was collected from 92 investors who were from Rupandehi district .Correlation and regression analysis were used to analyze the relationship between independent variables (Company Goodwill, Company performance, Company sector and Market information) and dependent variable (investment decision). The study revealed that Company performance is the highly considerable factors before making investment decision in IPO.

Keywords: Initial Public Offering, Perceptions, Financial Market Investor, Company performance.

INTRODUCTION

The capital market is a place where medium- and long-term financial assets are traded. It is divided in to two types- primary market and secondary market. Primary market is a financial market where company listed on an exchange, for the first time, issues new security or already listed company brings the fresh issues. It is commonly known as Initial Public Offering (IPO). It allows the company to raise capital by selling ownership stakes to investors, and in return, investors can trade these shares on the open market. IPOs are often sought by companies to fund expansion, repay debts, or provide an exit strategy for early investors or founders. Initial Public Offerings (IPOs) are defined as the original sale of a company's securities to the wider public for the first time in the primary market (Brealey & Myer, 2003) It is significant financial event in the life cycle of a company, marking the transition from a privately-held entity to a publicly-traded corporation. During an IPO, a company offers its shares to the general public for the first time, allowing individuals and institutional investors to buy ownership stakes in the company. This process is facilitated by an investment bank or underwriter, which helps determine the IPO price, the number of shares to be issued, and manages the distribution of shares to potential investor. For the investors Initial Public offering (IPO) is also an option.

For the investors Initial Public offering (IPO) is also an option. An Initial Public Offering (IPO) occurs when a security is sold to the general public for the first time, with the expectation that a liquid market will develop. An IPO can be of any debt or equity security (Pokhrel, 2016). Khatri (2017) explains the reason for IPO issues are - Funding Needs and Non -funding Needs. Funding Capital Requirements for Organic Growth, Expansion through Projects, Diversification, Funding Global Requirements, Funding Joint Venture and Collaborations needs, Funding Infrastructure Requirements, Marketing Initiatives and Distribution Channels, Financing Working Capital

Requirements, Funding General Corporate Purposes, Investing in businesses through other companies, Repaying debt to strengthen the Balance Sheet and Meeting Issued.

In Nepal Securities Board of Nepal (SEBON) is an apex regulator of securities market. Its mission to facilitate the orderly development of a dynamic and competitive capital market and maintain its credibility, fairness, efficiency, transparency and responsiveness under the Securities Exchange Act 1983. The history of initial public offerings in Nepal dates back to 1936 in which year the shares of Biratnagar Jute Mills Ltd. were floated.

Perception can be defined as the process of getting information from external stimuli through sense organs, thereby trying to organize it systematically and interpret collected information to make it meaningful. According to Robbins (2005), Perception is a process by which individuals organize and interpret their sensory impressions to give meaning to their environment. Perception plays an important role as it helps us interpret something that we see or hear in our mind and use it later to judge and give a verdict on a situation, person, group, etc. Perception is important in understanding human behavior because every person perceives problems in the world and life differently. Thus, an investor's perception is essential and plays an important role in an Initial Public Offering (IPO). The perception of individuals also depends on different factors such as interests, expectations, and attitudes. Positive perception and interest are essential as they help investors to motivate and actively participate in an Initial Public Offering (IPO). Investors anticipate a healthy return on their investment. If investors receive what they expected, they have a positive attitude toward the IPO, and can influence others to do the same. (Kandel,2022)

Problem Statement

Primary market, part of capital market, is a major source of fund to the companies involved in various kind of business. The prospect of IPO is very high in Nepal which is evident from the oversubscription of IPOs issued in the market. Due to increase in investor awareness of IPO in market there is over subscription in the offering . So understanding the changing attitude and psychology of the investors is equally important to maintain the attractiveness of the IPO. The capital market in Nepal is still in the developing phase, the market gets easily saturated. Unnecessary rumors affect the investment decisions of investors. This will have great repercussion if the confidence of investors is lost. Thus, this research aims to study the perception of investors across different demographic variables.

With the digitalization of capital market in Nepal, the small investors are seen active in applying IPO. Most of these retail investors in the market are speculative: they bet their money without proper information and analysis. They sell their stocks immediately after listed in NEPSE. So how is the investor take their investment in new offering and identification of the proportion of such investor is another major issue. (Paudel, 2018)

Research Objectives

The aim of this research is to empirically investigate the perception of investors towards IPO. Analyze different factors in stock market helps in changing the perception of investor. To be more specific, this study had the following objectives:

- To examine the perception of investors towards IPO in Nepal.
- To analyze the relationship between different factors (Company goodwill, Company performance, Company sector and Market information) and investment decision of investor.
- To examine the impact of factors (Company goodwill, Company performance, Company sector and Market information) on investment decision of investor.

Limitation of the Study

The limitation for the study could be:

- Resource constraints due to lack of internationally published research articles and literature in Nepalese context about Initial Public Offering (IPO).
- Only Rupandehi District is considered for the study which may not represent the whole demographic territory of Nepal.
- The finding of this research may not be representing the scenario of secondary market.
- Because of the small sample size, our findings may not be generalization to larger groups.

Literature review

"Factors affecting investment bank initial public offering market share," Craig (2000). Between 1984 and 1995, the researcher looks at the influence of a number of variables on the market share of investment banks that serve as book managers in initial public offerings. The study came to the conclusion that for established banks, market share fluctuations are significantly impacted by IPO first day returns, one year abnormal performance, abnormal remuneration, industry specialty, analyst repute, and association with withdrew offer. In order to examine how investors perceive the many aspects that affect the decision to purchase an equity stock, Bennett et al. (2011) analyzed investors' attitudes toward stock selection. Primary data were primarily rely on for the investigation.

Knopf and Teall (1999) conducted their study about The IPO Effect and Measurement of Risk. Numerous empirical studies of the well documented IPO underpricing anomaly have employed a variety of different proxies for risk, none of which seem able to explain a significant portion of initial trading day returns. A structured questionnaire was used to gather the necessary information from retail investors in Tamil Nadu between May and September of 2010. The study was of a descriptive kind. 400 retail investors from 10 different Investment Centers made up the sample size. The results of this study's analysis show that decision-makers were influenced by the average values of five variables: return on equity, quality of management, return on investment, price to earnings ratio, and other company ratios.

Singh (2012) conducted a study to ascertain how investors view first public offerings (IPOs). According to the survey, when investing in initial public offerings (IPOs), investors take five primary variables into account: the corporate image, size, performance of prior IPOs, pricing, and the current state of the market. Males typically spend in smaller quantities, whilst females are more inclined to engage in speculation. Furthermore, he discovered that investors who invest the most money typically base their decisions on growth and profits, whereas investors in the lowest investment bracket base their decisions primarily on growth and place little emphasis on the number of years the company has been in operation, whereas it is an important factor for investors in the middle investment bracket.

Leila and Farshid (2014) published a study titled "Study of Factors Affecting the Initial Public Offering (IPO) Price of the Shares on the Tehran Stock Exchange." The researcher's major goal was to determine whether the first offering exchange price in Tehran was lower than it actually was and to investigate the variables that influence the price of initial shares on the stock exchange. For the study's purposes, the researcher included 115 stock market businesses between the years of 2006 and 2012. The researcher came to the conclusion that the P/E variable had the greatest impact on the price of first offerings and had a substantial relationship with price movements on those offerings.

Srinivas and Rao (2017) attempted to find out the factors influencing investment decisions in IPO among retail individual investors. The study revealed that capital appreciation and safety in investment are the driving forces of investment. The study conducted by Sarin and Sidana (2017) has tried to find out perceptions of investors towards IPO grading. Study is based on primary data collected through a well designed structured questionnaire from 200 investors from Delhi and Chandigarh. Research have shown that Initial Public Offering is considered to be the most outstanding matter for a firm. If a company, “being public” is just as foremost as “going public.” Small and new companies normally issues IPOs when they are in need of capital, but occasionally large companies also issue them for public trading. Company considered it a big commitment to be going public. Company way of doing business is going to be affected by this process of IPOs’. But offering an IPO is very vapid and more time is required for this. SEBI, from May 1, 2007, the Indian stock market regulator made it compulsory that all IPOs must be graded by a credit rating agency. But in very short span of time it was made optional by SEBI in 2013.

Gnawali (2020) conducted study on perception of investors towards initial public offering (ipo) in Nepal with reference to Kathmandu district. The main purpose of the study was to examine perception of investor towards IPO, to analyze the relationship between different factors (Quality management, Company Goodwill, Company performance, Company sector and Market information) and investment decision and to examine the impact of such factors on investment decision in IPO. The research is primarily based on primary data. Data was collected from 290 respondents who were connected at five different brokerage firms at Kathmandu district. The inferential analysis was preferred in SPSS by using statistical tools such as correlation and regression analysis were used to analyze the relationship between variables and impact of different factors on investment decision (dependent variable). The study revealed that Quality management, Company goodwill, Company performance, Company sector and Market information are the highly considerable factors before making investment decision in IPO.

Paudel (2018) conducted study on perception of investors towards initial public offering (IPO) in Nepal. Quality management, Company Goodwill, Company performance, Company sector and Market information were the independent variables representing the factors influencing the perception of investors and investment decision as dependent variables. The research was based on primary data. Data was collected from 100 investors at Surkhet district. Correlation and regression analysis were used to analyze the relationship between variables. Correlation coefficient between all five independent variables and dependent variable (investment decision) was done, which implies that five variables (quality management, company goodwill, company performance, company sector and market information) are positively correlated at 1% significant level.

The study conducted by Kandel (2022) on Investors perception towars IPO, attempts to explore the investors' perception towards allocating 10 units of IPO and Book Building System as well as to examine the factors that affect the investors' perception of IPO investment. The researcher employed the descriptive exploratory research design to reach the ontology of the issue. The study included 110 samples from Khairahani Municipality, Chitwan, who were selected purposively through a convenience sampling procedure. Face-to-face interviews and a self-administrative questionnaire were used to collect information from the respondents who had been applying for at least 10 units of IPO. The findings revealed that the company's performance and the sector's performance were the major factors that influenced investors' perception. The majority of investors selected the microfinance industry because it provided a satisfactory return to them. A majority of the investors would like to hold stocks allotted in the IPO for a longer period of more than one year. Investors had a positive perception towards allocating 10 units of the IPO. However, they remained neutral in the case of their interest in the Book Building System. The Securities Board of Nepal (SEBON)'s awareness program before introducing the Book Building Pricing Method can be effective to develop people's interest in Book Building System.

CONCEPTUAL FRAMEWORK

A conceptual framework is a structured and methodical approach or outline that leads the study process. It clarifies the research questions or objectives, the scope of the study, the methodologies to be employed, and the overall framework of the research project for researchers.

Company Goodwill

The public response of initial public offering is positively affected by company goodwill higher the company goodwill higher will be many investor and subscription rate will be high.

Market Information

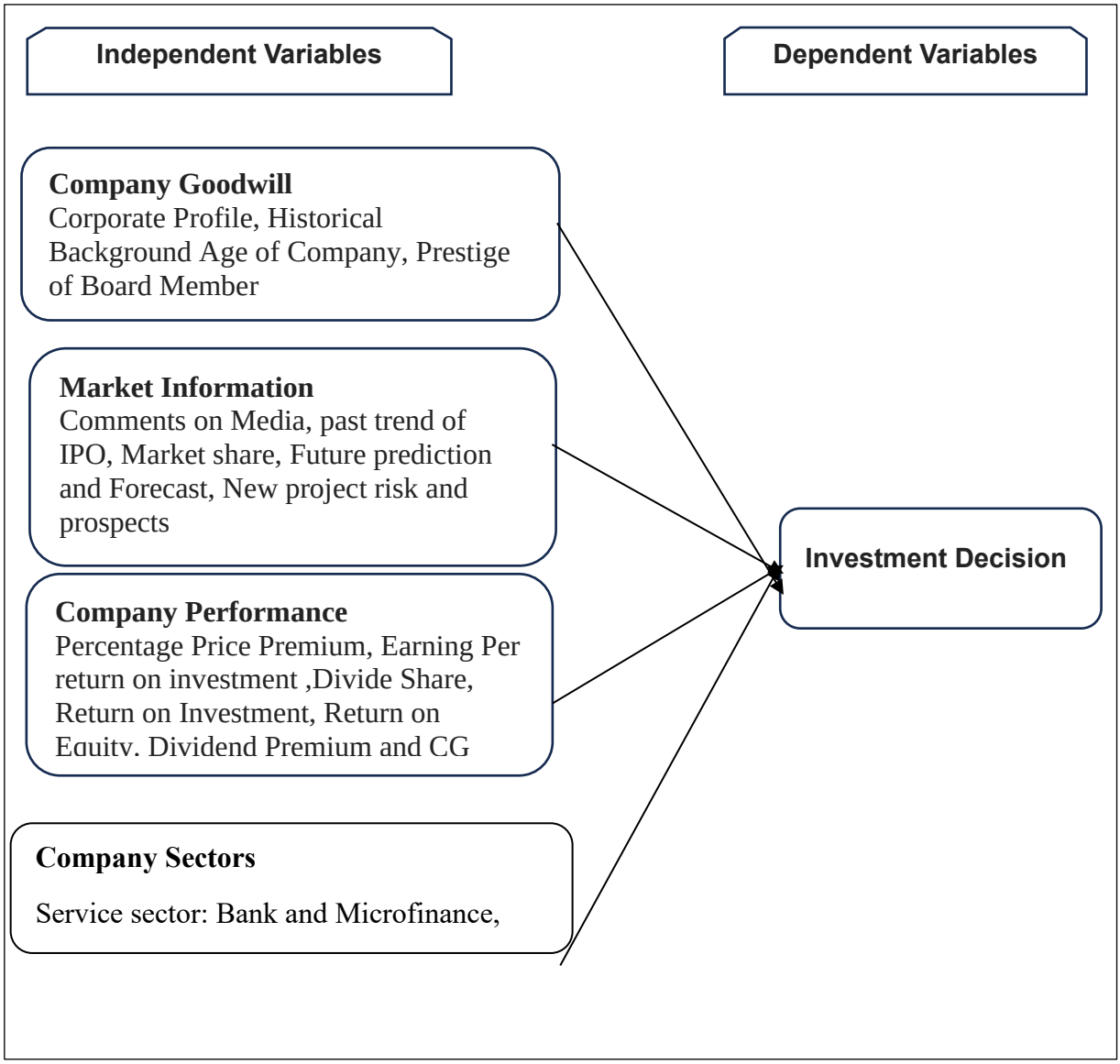
Investment decision is positively affected by market information higher the market information higher will comments on media, past trends of IPO, market share, future prediction and fore new project risk and prospects.

Company Performance

Investment decision in initial public offering is positively affected by company performance, higher the company performance higher percentage price premium, earning per share, return on investment, return on equity, dividend declaration and capital gain is good higher will be higher investor.

Company Sectors

Investment decision is positively related to company sectors higher the company sectors higher will be the hydropower. manufacturing, Insurance, banking, microfinance The sectors like banking and insurance have high responses to IPO than others sectors.



Research hypothesis

For the study in "Investor perception toward Initial Public Offering (IPO) in Nepal," the following hypothesis was developed**.**

- Hypothesis 1: There is Positive relationship between Company goodwill and Investment Decision.
- Hypothesis 2: There is Significant positive relationship between Market information and Investment Decision.
- Hypothesis 3: There is Positive Relationship between Company Performance and Investment Decision.
- Hypothesis 4: There is Positive Relationship between Company Sectors and Investment Decision.

5. RESEARCH METHODOLOGY

The methodical procedures and techniques used by researchers to collect data, analyse information, and make conclusions about a specific topic or study issue are referred to as research methodologies. In scientific and academic studies, these procedures are critical for providing accurate and valid results. There are numerous research methodologies, and the method chosen is determined by the study objectives, nature of the research topic, available resources, and ethical considerations.

5.1 Research Design

In this study, it explained the fascinating world of Initial Public Offerings (IPO) and investor impressions of them. The study uses a descriptive research design and quantitative research methodology.

5.2 Population

The population for this study consists of investor living in Rupandehi district. To represented these population, data were collected from the 92 investors through a structured questionnaire. This method allowed the researchers to ask specific questions and get direct responses from the investors.

5.3 Sampling Technique

The sampling technique which was used in this research is convenience sampling technique, a structured questionnaire, the researchers could gather both quantitative and qualitative data, enriching their understanding of the investors' perspectives on IPO. In structure questionnaire, the first section contains respondent demographic information such as age, gender, occupation, qualification and monthly income. And in second section, it described question related to the dependent and independent variables based on the 5-point rating scale ranging from 1-strongly agree to low strongly disagree, 31 opinion statement question were used in 5 variables and among them 4 are independent variables.

5.4 Source of Data Collection

The information gathered for this research is considered primary data because it originates directly from the survey participants. This type of data is highly valuable as it offers firsthand insights and new viewpoints from the individuals directly involved in our research.

5.5 Statistical Tools

For, statistical tools, SPSS (statistical Package for the Social Science),has been used to evaluate the obtained data. The dependability of the scale items was examined using Cronbach's`s Alpha coefficient. Regression, coefficient and hypothesis testing were used in the study`s inferential analysis.

6. Findings

The term "finding" in a research context refers to the results or outcomes obtained from a study or investigation. It represents the key discoveries, observations, or conclusions drawn from the analysis of data collected during the research process.

Table 1. Reliability Test

SN	Variable	Cronbach's Alpha`
1	Company Goodwill	0.709
2	Market Information	0.717
3	Company Performance	0.785
4	Company Sector	0.753
5	Investment Decision	0.82

The findings of a Cronbach's alpha analysis, which is a statistical approach used to examine the reliability of scaled items, are shown in the table above. Cronbach's alpha for "Company Goodwill" is 0.709 in this case, showing moderate internal consistency. The dependability of the entries in this variable. Cronbach's alpha for "Market Information" is 0.717, indicating that its components are moderately consistent internally.

Company Performance" has the greatest Cronbach's alpha score of 0.785, suggesting that the elements within this variable have the highest level of internal consistency. Cronbach's alpha for "A Company Sector" is 0.753, indicating a moderate level of reliability. As a result, investment decision and investor impression questionnaires were correct.

Table 2. Distribution of respondent profile

These table provides demographic profile of every respondent according to their Age, Gender, Qualification, Occupations, and Monthly income earned by respondent of Butwal city.

Profile		N	Percent
	20-30	74	80.4
	31-41	12	13
Age	above 41	6	6.5
	Total	92	100
Gender	Male	50	54.3
	Female	42	45.7
	Total	92	100
Qualification	School level	4	4.3
	Secondary level	4	4.3
	Bachelor	38	41.3

	Master	46	50
	Total	92	100
Occupation	Student	62	67.4
	Employee	8	8.7
	Business man	20	21.7
	Agriculturist	2	2.2
	Total	92	100
Monthly Income	Less than 10,000	32	34.8
	Rs 11,000 - 30,000	6	6.5
	Rs 31,000 - 50,000	18	19.6
	More than 50,000	36	39.1
	Total	92	100

The table displays the respondent's demographic profile, including age groups, gender, credentials, jobs, and monthly income. The "N" column shows the number of respondents in each group, while the "Percent" column shows the percentage of respondents in that category out of a total of 92. In this survey, 80.4% of respondents were between the ages of 20 and 30, 13.0% were between the ages of 31 and 40, and 6.5% were over the age of 41.

This demonstrates that the majority of respondents were young people aged 20 to 30. There are 50 male respondents, representing 54.3% of the total, and 42 female respondents, representing 45.7% of the total participants. . Likewise in term of Occupation more than 67.4% of the respondents are student, 21.7 % of the respondent are business person and 8.7% and 2.2% of the respondent are employees and agriculturists.

Table 3-Descriptive Statistics

Descriptive statistics are numerical measures that summarize and describe the main features of a datasets. The common descriptive statistics include the mean, standard deviation, minimum, maximum, and sum. Here's what each of these statistics represents:

Statistics	Mar_inf	Com_goodwill	Com_performance	Com_sectors	Investment Decision
Mean	1.7826	1.7899	1.9746	2.1196	2.0478
SD	0.52048	0.53843	0.60721	0.55433	0.33854
Minimum	1	1	1	1	1.2
Maximum	4	3.83	3.67	3.83	2.6
Sum	164	164.67	181.67	195	188.4

Market Information (Mar_inf), Company Goodwill (Com_goodwill), Company Performance (Com_performance), Company Sectors (Com_sectors), and Investment Decision are all included in the table. Each statistic contains

important information about the datasets. The mean is the average of each variable's value. For example, the mean for Market Information is 1.7826, implying that the market information score is approximately 1.78 on average. The standard deviation measures the date's spread or variability around the mean. Greater variability is indicated by higher SD values. For example, the SD for Company Goodwill is 0.53843, showing that the scores are more evenly distributed around the average of 1.7899. The least value observed in each variable is shown by the minimum. For example, Market Information has a minimum of 1, suggesting that the lowest recorded score is 1. The maximum reveals the largest value observed in each variable. For example, the maximum for Company Goodwill is 3.83, indicating that the highest recorded score for goodwill is 3.83. The sum represents the total of all values for each variable.

Table No.4 - Correlation between Dependant and Independent Variable

The correlation matrix provided above presents the relationships between different variables in a study. The variables included are Market information, Company goodwill, Company performance, Company sectors, and Dependent variable.

Variables	Market information	Company goodwill	Company performance	Company sectors	Dependent Variable
Market information	1	.709**	.512**	.485**	0.105
Company goodwill		1	.592**	.535**	0.14
Company performance			1	.729**	.266*
Company sectors				1	0.075
Dependent Variable					1

Correlation is significant at the 0.01 level (2-tailed). **

Correlation is significant at the 0.05 level (2-tailed) *

We can see the following significant relationships in the table: The connection between market information and company goodwill is 0.709. This suggests that as market information increases, so does firm goodwill. With a correlation of 0.512, market information and company performance are moderately favorably connected. This means that organizations with superior market intelligence do better overall. With a correlation of 0.485, market information and company sectors are likewise moderately favorably connected.

This implies that firms with greater market intelligence may be involved in many sectors or industries. A moderate positive connection of 0.592 exists between company goodwill and company performance. This suggests that organizations with higher goodwill do better. With a coefficient of 0.535, company goodwill and company sectors are somewhat positively connected, implying that organizations with positive goodwill may operate in a variety of

industries. The connection between company performance and company sectors is 0.729. This suggests that organizations that do effectively are likely to be involved in a variety of industries.

The correlation between the Dependent variable and Market information is 0.105, indicating that the two have a very weak positive association. Similarly, the Dependent variable has a correlation of 0.14 with Company goodwill and a correlation of 0.266 with Company performance. All of these correlations are weak, implying that the Dependent variable has a restricted link with these three factors. Finally, the association between the Dependent variable and the Company sectors is just 0.075, showing a very weak positive relationship. This implies that the sectors in which the company works may have little influence on the Dependent variable.

Table-5 Test of Multicollinearity

Checking for multicollinearity is essential in regression analysis to ensure the accuracy and reliability of the regression model's results. Multicollinearity occurs when two or more independent variables in a regression model are highly correlated with each other. It can lead to several issues so we have check it:

Model	Col-linearity Statistics	
	Tolerance	VIF
1		
	0.48	2.084
	0.422	2.368
	0.409	2.444
	0.447	2.236

Tolerance is a measure of how well the other variables in the model explain the variation of one independent variable. It is determined by dividing 1 by R2, where R2 is the coefficient of dependence between the independent variable and all other independent variables. Tolerance values for each variable are given in this table, and they vary from 0.409 to 0.48.

Tolerance's counterpart, VIF, provides a more clear understanding. It expresses how much the variance of one independent variable's coefficient is exaggerated as a result of multicollinearity. VIF is calculated as 1 / (1 - R2). The VIF values in this table range from 2.084 to 2.444.

Regression Analysis

Multiple regression is used to learn about the relationship between multiple independent or dependent variables or criteria variables. It is used to describe and anticipate the nature of a relationship. Multiple regression analysis was performed to investigate the impact of independent variables (Company goodwill, Market information, Company performance and company sector) on dependent variables. The Regression equation can be written as:

Table 6. Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.319a	0.102	0.06	0.328

The regression model makes an attempt to forecast the dependent variable, denoted as "D," by utilising four predictor variables: "CS" (Company Sectors), "MI" (Market Information), "CG" (Company Goodwill), and "CP" (Company Performance). The R-square, also known as the coefficient of determination, can help explain variation, according to the model summary. The R2 score of 0.319 implies that the model explains 31.9% of the independent factors that influence IPO investing decisions.

As a result, the dependent variable and the combination of the four predictor factors have a fairly favourable association. This implies that the predictor variables have some relationship with the dependent variable "D." The standard error of the estimate is 0.328, indicating that the observed value of investment decision from regression line is variable.

Table 5. ANOVA Test

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1.059	4	0.265	2.458	.051
	Residual	9.371	87	0.108		
	Total	10.43	91			

The regression model makes an attempt to forecast the dependent variable, denoted as "D," by utilising four predictor variables: "CS" (Company Sectors), "MI" (Market Information), "CG" (Company Goodwill), and "CP" (Company Performance). The regression model's sum of squares, which is 1.059, shows how much variation in the dependent variable D the predictors CS, MI, CG, and CP can explain collectively. The degrees of freedom (df) of the regression model are four, which corresponds to the number of predictors used in the model. The mean square for the regression is 0.265 when the sum of squares is divided by each degree of freedom. The residual sum of squares is 9.371, which is the unexplained variation in the dependent variable D after controlling for the predictors in the regression model. The residual has 87 degrees of freedom, which represents the number of observations minus the number of predictors. The F-value, which is 2.458, represents the ratio of the regression's mean square to the mean square of the residuals (error). The overall variation in the dependent variable D is represented by the sum of squares of 10.43.

Table 6. Regression Coefficient Analysis

Variables	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	1.879	0.15		12.49	0
MI	-0.01	0.095	-0.016	-0.11	0.913
CG	0.015	0.098	0.024	0.153	0.879
CP	0.249	0.089	0.447	2.815	0.006
CS	-0.157	0.093	-0.257	-1.688	0.095

The regression table displays the findings of a multiple regression analysis with "D" as the dependent variable and four independent variables: "MI" (Market Information), "CG" (Company Goodwill), "CP" (Company Performance), and "CS" (Company Sectors). The intercept is calculated to be 1.879 with a standard error of 0.15 in the "Constant" row and is highly significant (p 0.001).

"Market Information (MI)" and "Company Goodwill (CG)" are the independent variables that have no significant effect on the dependent variable ($p > 0.05$). "Company Performance (CP)" shows a significant positive impact ($p > 0.01$), demonstrating that changes in company performance affect "D" meaningfully. "Company Sectors (CS)" has a mild and non-statistically significant effect ($p = 0.095$) on the dependent variable. Overall, this examination while the other independent variables may not be meaningful predictors in this particular study.

The estimated multiple regression equation for the relationship can be written as:

$\hat{Y} = \alpha + \beta 1X1 + \beta 2X2 + \beta 3X3 + \beta 4X4 + ei.$

Y = Investment decision (independent variables)

X1 = Company Goodwill

X2 = Market Information

X3 = Company Performance

X4 = Company Sectors

Ei = constant

Substituting the values of coefficient from the table 6 in equation (i) we get:

$Y = 1.879 + 0.015X1 - 0.01X2 + 0.249X3 - 0.157X4 + \varepsilon$ ……. (ii)

Table 6. Analysis of Investment decision and its Determinants

Variable	P-value	Comparison	Remarks
Market Information	0.913	0.913 > 0.05	Insignificant

Company Goodwill	0.879	0.879< 0.05	Insignificant
Company Performance	0.006	0.006 > 0.05	Significant
Company Sectors	0.095	0.095 >0.05	Insignificant

The represent the outcomes of hypothesis testing for various investment-related interactions. The table comprises the hypotheses, p-values from the preceding table, level of significance, and associated result. In this case, the p-value of 0.913 exceeds the level of significance of 0.01, suggesting that there is insufficient evidence to support the hypothesis of a significant relationship between the company and investment decision.

As a result, the theory is dismissed. Similarly, p value 0.875 is bigger than the level of significance 0.01, indicating that there is no meaningful link between Market information.

7. Conclusion

The purpose of this study is to investigate investor attitudes regarding IPO in Nepal. Four research hypotheses were developed and tested in order to determine the impact of four aspects (business goodwill, company performance, company sector and market information, and company sector and market information) on investment decisions. The significance of the hypothesis among the variables is also tested using the significant value from the sample.

According to the findings, neither Market Information nor Company Goodwill had a statistically significant impact on the dependent variable. This implies that fluctuations in Market Information and Company Goodwill do not significantly contribute to explaining the variability in the dependent variable. According to the findings, Company Performance has a statistically significant positive impact on the dependent variable. This suggests that as Company Performance improves, the dependent variable rises in tandem. This finding implies that the company's performance is critical in affecting the outcome or behaviour reflected by the dependent variable.

Despite the fact that Company Sectors did not achieve conventional statistical significance (P-value slightly greater than 0.05), it is worth mentioning that it may have some potential impact on the dependent variable. More research and analysis may be required to fully comprehend the link between Company Sectors and the dependent variable.Overall, the study emphasizes the significance of Company Performance as a significant influencing factor of the dependent variable. However, it is critical to recognize that the interactions between variables are complicated and may include unmeasured or omitted variables that influence the conclusion. As a result, additional research and examination of other important variables are advised in order to get a thorough understanding of the phenomenon under investigation.

Further Implication

Future studies can build on the findings of this study while keeping its limitations in mind. Increasing the sample size to include a more diverse and representative population might improve the robustness and application of the results.

Longitudinal studies can provide a more comprehensive knowledge of causal linkages and dynamic patterns throughout time. Exploring the impacts of mediation and moderation, controlling for confounding variables, and performing cross-cultural or experimental research might reveal more detailed insights.

Incorporating qualitative research into quantitative results can provide context and depth. Furthermore, publishing non-significant findings and doing robustness checks help to a well-rounded research landscape. Adopting these recommendations will allow researchers to significantly contribute to the field's knowledge and improve our grasp of the complex links between predictor variables and the dependent variable.

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