

Determinants of IPO Investment Decisions: Influence of Stock Market Experience on Investment Purposes and Expected Returns.

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Abstract

Purpose:

This research aims to ascertain and examine the elements that impact investors' choices to invest in Initial Public Offerings (IPOs). The objective is to assess the way the motivation for investing in IPOs differs depending on investors' level of expertise in the stock market. likewise, the research aims to establish the correlation between the anticipated gains from initial public offering (IPO) investments and the investors' degree of expertise. With a review of these aspects, the study will provide valuable knowledge on the conduct and anticipations of various investor categories. This will enhance knowledge of the dynamics of IPO investments and give guidance to both individual investors and regulators.

Design / Methodologies:

This study employs an exploratory mixed-methods approach, integrating quantitative and qualitative research methodologies to thoroughly investigate the factors that influence decisions to invest in Initial Public Offerings

(IPOs), the differences in investment objectives based on investors' level of experience and the relationship between anticipated returns and investor experience. The study relied on primary data obtained from 84 respondents who were stock market investors in the Bangalore city. The Researchers analysed the data using statistical methods such as frequency table, crosstab analysis, Descriptive statistic, chi-square test, factor analysis and Kruskal-Wallis H test.

Findings:

The research revealed that seasoned investors place more importance on long-term expansion and strategic diversification when making IPO investments, whilst inexperienced investors tend to concentrate on immediate profits. There is a strong correlation between greater levels of experience and higher anticipated returns, suggesting that seasoned investors have more positive expectations about the returns from IPO investments.

Limitations:

The study's constraints include the possibility of response bias stemming from self-reported data and a restricted sample size that may not comprehensively reflect the wider community of IPO investors. Likewise, the cross-sectional approach only captures investor behaviour at a certain moment, without considering the potential impact of changing market circumstances and shifting investor preferences over time.

Originality Value:

This research employs both quantitative and qualitative methods to examine the intricate elements that impact IPO investing choices. It provides an in-depth investigation of how investor experience influences investment objectives and anticipated returns. By combining various data sources and research methods, it offers new perspectives on the behaviour of investors in initial public offerings (IPOs), improving understanding for Researchers, professionals and policymakers.

Paper Type: Research Paper

Keywords: Stock market, Initial Public Offerings, Investment Objectives and Expected Returns

Introduction

Initial Public Offerings (IPOs) are a crucial event for companies and a unique investment opportunity for investors (Ibrahim & Benli, 2022)(GOOD, 2015). IPOs draw a wide spectrum of investors, each with their own goals and expectations, when businesses go from private to public ownership (Yadav et al., 2023). An IPO's main motivation is often to raise money or to provide an exit route (Khatri, 2017). It is important for executives, investors and policymakers to understand the elements impacting these investment choices (Nguyen et al., 2024) (Metawa et al., 2019). The choice to participate in an initial public offering (IPO) is challenging since it is affected by both external market circumstances and internal investor traits (Jasiniak, 2018). Factors like as the essential aspects of a corporation, prevailing market trends, the legal framework and the reputation of underwriters are of the highest priority (Khatri, 2017). Furthermore, individual characteristics like as one's willingness to take risks, investing objectives and previous experiences have a significant role in shaping investment choices (Simanjuntak et al., 2023). These choices need careful analysis because of the complexity and high risk of initial public offering investments. The objective of this research is to determine the main factors that influence investment choices in initial public offerings (IPOs) and assess how investment objectives vary depending on an individual's expertise in the stock market (Surendra Prasad Joshi, 2023)(Mehmood et al., 2021). Moreover, it aims to reveal the correlation between anticipated profits from initial public offerings (IPOs) and the investor's degree of expertise (Mehmood et al., 2021). The study offers a thorough investigation of IPO investor behaviour by using a mixed-methods methodology, which combines quantitative surveys and qualitative interviews. Gaining insight into the varied motives and expectations of investors will assist firms in strategically organising their initial public offerings (IPOs) and empower investors to make well-informed choices, eventually enhancing market efficiency and transparency.

The following are the reasons for IPO issues:

i. Funding Needs: Securing capital to support organic growth, expansion projects and diversification efforts. Acquiring funding for global requirements, joint ventures and collaborations. Obtaining financial resources for infrastructure needs, marketing initiatives and distribution channels (Kumar, 2023). Financing working capital

requirements to ensure smooth operations. Funding general corporate purposes. Investing in businesses through other companies. Debt repayment to enhance the financial position and covering expenses related to certain matters.

ii. Non-funding needs include improving corporate reputation, retaining employees and providing incentives by means of stock options. Facilitate the availability of funds to the shareholders (GOOD, 2015).

1.2. Indian Stock Market

One of the key elements of the global financial system is the capital markets, which play a crucial role in distributing cash, encouraging investment and creating chances for both people and businesses to grow their operations (Simanjuntak et al., 2023). The capital market was established to facilitate the acquisition of assets by investors and the sale of assets by businesses. People that lead more complicated lives will be more inclined to want to do things quickly, efficiently and well-organised. In this instance, a Stock Exchange was established to enable transactions in capital market products. The capital market offers the general people an additional channel for investment as well as a way for businesses to get funds (Nguyen et al., 2024). Because of its role in connecting individuals with finances and businesses in need of capital, the capital market is also sometimes referred to as intermediates.

The history of the Indian Capital market dates back to the 1800s. Asia's oldest stock market was founded in 1875 when the Bombay Stock market (BSE) was established. At first, trade took place informally behind a banyan tree. With the National Stock Exchange (NSE) established in 1992 and the advent of computerised trading along with more transparency, the market has subsequently seen tremendous evolution. A more stable and engaged market has been fostered by major changes including the formation of the Securities and Exchange Board of India (SEBI) in 1992, which reinforced regulatory structures (Saravanan & Satish, 2018). It was once regulated by the CCI (Controller of Capital Issues) in India. The Indian stock market is becoming a major force on the world financial landscape. The Indian stock market, which includes the National Stock Exchange (NSE) and the Bombay Stock Exchange (BSE), lists more than 5,500 companies as of 2024. There are around 5,000 listed businesses on the BSE, compared to about 2,000 on the NSE. The ever-changing and vast capital market in India is shown by this diversified ranking.

The Indian IPO market has seen a lot of activity as of 2024. With 243 businesses listing on Indian stock markets in 2023 alone, it was the greatest yearly total in previous years. This spike is a 65% rise over the same period last year. Despite a drop in transaction value brought on by the lack of big listings such as the Life Insurance Corporation of India, which had a huge influence in 2022, the total funds obtained using these IPOs amounted to \$7.10 billion.

A considerable amount of money was raised by 75 initial public offerings (IPOs) in the fiscal year 2024 - roughly ₹61,915 crores, compared to the ₹52,116 crores raised by 37 IPOs in the previous fiscal year. After listing, a large number of these IPOs have done well; more than 50 are now trading above their issue prices and several have made significant returns.

2. Review of Literature

2.1. Experience in Stock Market

Investors have significant obstacles when making investment decisions, particularly when their profiles vary in terms of demographic and socio-economic characteristics (Musa S Makosana, 2014). The level of expertise an investor has in the stock market has a substantial influence on their investing decisions and actions (Simanjuntak et al., 2023)(Yadav et al., 2023). Inexperienced investors may prioritise immediate profits, influenced by media buzz and early price fluctuations, but seasoned investors often want long-term expansion and strategic diversification (Khatri, 2017)(Senthil, 2020). Consequently, the aim of investing in Initial Public Offerings (IPOs) may differ significantly depending on the investor's level of expertise, underscoring the need of gaining a better understanding of these dynamics (Braun et al., 2003)(Senthil, 2020).

2.2. Purpose of IPO Investment

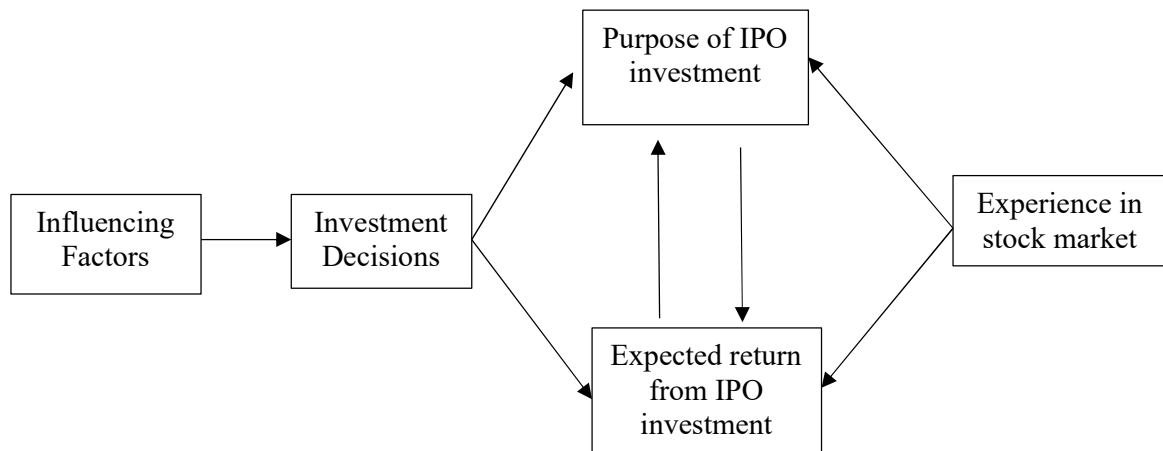
Capital that is employed for productive purposes is called investment. Investment decisions are regarded as a fundamental component of finance (Barayandema & Ndizeye, 2018). Investment has been viewed as the main tool for a nation's economic development and progress (Shafi, 2014). An investment is a financial tool used to

raise the value of an investor's asset (Simanjuntak et al., 2023)(Vohra, 2023)(Kumar et al., 2023). According to standard finance theory, the investment process consists of identifying investment objectives, understanding the investment environment and options that are available, selecting the most optimal choice and constantly evaluating and adjusting investments (Ikram, 2016). Making decisions is the process of choosing from among the many options that are at hand the best one for an arduous task (Ikram, 2016). Investing requires a significant amount of time. Individuals make investments for many purposes, including generating profits, obtaining future assets and saving for retirement. It is crucial to have well-defined motives or objectives when it comes to investing in order to achieve success (Dash, 2010).

2.3. Expected Return

The expected rate of return plays a crucial role in influencing investor decision-making when it comes to IPOs. This reflects the investors' aspiration for both financial benefits and regular returns on their investments (Karki, 2024). The main goal of an investor is to get optimal returns while minimising risks (Jain, 2021). Economic assumptions significantly influence investment decision making (Gill et al., 2018). Investors have a certain mindset about their investments primarily because they sacrifice immediate consumption and assume the associated risks (Dhungana, 2023). Investors want to allocate their funds with the intention of achieving a rate of return that above the rate of inflation (Dash, 2010). The volume of evidence on investment possibilities is always growing (He, 2024). As the level of risk that an investor is ready to accept increases, the possibility for achieving large returns also increases (Abdul kareem et al., 2023). Examine the elements that may predict the long-term success of initial public offerings (IPOs), with a focus on variables like as leverage, aftermarket risk and promoter ownership. These characteristics have an impact on the anticipated profits and subsequent behaviour of investors in Initial Public Offering (IPO) markets (Karki, 2024). However, smart investors understand that prioritising risk management is crucial, since it is the key to achieving profitable investments (Malpani, 2018).

3. Conceptual Framework



4. Research Methodology

4.1. Research Context

In 2023, the Indian IPO market had notable activity, with a total of 243 IPOs that raised \$7.10 billion. Although the transaction amounts were reduced compared to previous years, the market has still shown substantial growth. In Fiscal year 2024, there were 75 Initial Public Offerings (IPOs) that raised ₹. 61,915 crores. This amount represents a significant rise compared to the previous year's ₹. 52,116 crores. This research investigates the factors that affect investment choices in initial public offerings (IPOs), specifically analysing the impact of stock market expertise on investment objectives and anticipated returns. The study offers unique insights into the motivations and expectations of IPO investors in India's dynamic capital market by analysing all of these variables.

4.2. Data Collection

This research used a mixed-methods strategy to gather complete data. Quantitative data is collected by conducting structured questionnaires with 84 IPO investors with minimum years of investing experience. These surveys include demographic information, investment objectives, anticipated returns and variables that influence their decision-making. These interviews provide more profound insights into their decision-making processes and experiences.

4.3. Measurement of Scale

The participants were instructed to evaluate the claims using a 5-point Likert-type scale. The scale covered from 1, representing "strongly disagree," to 5, representing "strongly agree." The available choices were as follows: a score of 2 represented "disagree," a score of 3 represented "neither disagree nor agree," and a score of 4 represented "agree."

4.4. Objectives of the Study

1. To identify the factor influencing on IPO investors decision.
2. To evaluate how purpose of investment in IPO differs based on experience in stock market.
3. To identify the association between expected return from IPO and experience in stock market.

4.5. Hypothesis:

1. **H₀**. There is no significant influence of factors on IPO investor's decision.
H₁. There is a significant influence of factors on IPO investor's decision.
2. **H₀** - There is no significant difference in purpose of investment in IPO between the experiences of investors in stock market.
H₁ - There is a significant difference in purpose of investment in IPO between the experiences of investors in stock market.
3. **H₀** – There is no significant association between expected return from IPO and experience of investors in stock market.
H₁ – There is a significant association between expected return from IPO and experience of investors in stock market.

5. Data Analysis and Interpretation

This study presents the findings from our detailed analysis of the data collected from the 84 investors who regularly indulge in investing and trading in stock market, especially in Initial public offering. The data includes the respondent's responses towards the agreement for considering the factors in investing decisions along with the motive of investing in initial public offering-IPO and the socio-economic data which includes the occupation, educational qualification, experience in stock market, expected return from IPO investment etc. The objective was to identify the factors influencing the investors in their investment decision and furthermore, the study aim to know the difference between the purposes of investing in IPO based on their experience and to evaluate the association between the expected return from IPO investment and their experience in stock market. The Researchers processed and analysed the data using statistical methodologies to pinpoint precise variations and relations between various variables. The Researchers analysed the data using statistical methods such as frequency table, crosstab analysis, Descriptive statistic, chi-square test, factor analysis and Kruskal-Wallis H test. The software tools used for analysis were SPSS 25 and Microsoft Excel. The tables and charts are used to demonstrate the findings.

Objective 1: To identify the factor influencing on IPO investors decision.

Hypothesis:

- H₀**. There is no significant influence of factors on IPO investor's decision.
H₁. There is a significant influence of factors on IPO investor's decision.

Factor Analysis:

In order to test the hypothesis mentioned above, which aims to demonstrate the first objective of this study, the factor analysis tool will be employed. This tool will evaluate the statistical significance of the influence of factors

on investors and their investment decision towards the IPO investment. The principle component method will be employed to extract the factor from the statements, Furthermore, the evaluation of the loading of each component may also be conducted using the Varimax rotation approach.

Table no 1 : Descriptive Statistics

		N	Minimum	Maximum	Mean	Std. Deviation
F1	MPANY GOODWILL	84	1	5	2.82	1.153
F2	RKET SHARE	84	1	5	3.07	1.095
F3	RPORATE PROFIT	84	1	5	3.27	1.123
F4	TORICAL BACKGROUND	84	1	5	3.17	.955
F5	ARD MEMBER	84	1	5	3.15	1.070
F6	AL MATTER	84	1	5	3.19	1.081
F7	URRENT FINANCIAL POSITION	84	1	5	2.94	1.101
F8	URE PREDICTION AND FORECAST	84	1	5	3.11	1.087
F9	NAGEMENT QUALITIES	84	1	5	3.18	1.163
F10	E OF THE IPO ISSUED	84	1	5	3.10	.989
F11	OKER ADVISE	84	1	5	3.21	1.007
F12	SHAREHOLDER	84	1	5	3.35	1.146
F13	MENTS IN MEDIA	84	1	5	3.15	1.167
F14	ORATE GOVERNANCE PRACTICE	84	1	5	3.13	1.027
N		84				

Interpretation:

Above is the summary of Descriptive statistics of the factors considered for the study. The scale considered to collected are Not at all considered – 1, Not much considered – 2, Considered to some extent – 3, Considered – 4, Highly considered (5) factors for investment decision towards the IPO investment. In which company goodwill factor has least mean score of 2.82 which means it said to be considered to some extent as it is nearer to 3 and Corporate profit has highest means score of 3.27 which is assumed as that it considered more than compared to other and other factors lies between these range.

Table no 2: KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.849
Bartlett's Test of Sphericity	Approx. Chi-Square	775.961
	Df	91
	Sig.	.000

Interpretation:

The above results indicate that a factor analysis can be applied to the set of given data as the value of KMO statistics is greater than 0.5, i.e., 0.849, and the Bartlett's test of sphericity represents the significance of the influence of factors on investors and their investment decision towards the IPO investment. As the p-value (chi-square =775.961, df = 91, p =.000) is less than the level of significance.

Table no 3: Total Variance Explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	6.133	43.805	43.805	6.133	43.805	43.805	4.120	29.431	29.431
2	2.880	20.571	64.376	2.880	20.571	64.376	3.183	22.737	52.168
3	1.212	8.658	73.034	1.212	8.658	73.034	2.921	20.866	73.034
4	.661	4.721	77.755						
5	.632	4.515	82.270						

6	.472	3.372	85.641						
7	.389	2.779	88.421						
8	.334	2.383	90.804						
9	.279	1.993	92.796						
10	.260	1.857	94.653						
11	.241	1.721	96.374						
12	.203	1.450	97.824						
13	.164	1.168	98.993						
14	.141	1.007	100.000						

Interpretation:

From the above table of total variance explained, there are three components extracted through principal component analysis, resulting in a total of 73.034 percent of the variations in the entire data set, which are considered based on Eigen values having more than 1 value, which are said to be significant. The percentage of variation explained by all three components are 29.431, 22.737 and 20.866 respectively

Table no 4: Component matrix and Communalities

Component Matrix				Communalities	
	Component			Initial	Extraction
	1	2	3		
F1	.781	-.074	-.128	1.000	.632
F2	.827	-.049	-.218	1.000	.734
F3	.846	-.053	-.074	1.000	.723
F4	.760	.027	-.342	1.000	.696
F5	.791	.023	-.378	1.000	.770
F6	.743	-.044	-.420	1.000	.730
F7	.682	-.055	.513	1.000	.731
F8	.769	-.137	.426	1.000	.791
F9	.730	-.116	.430	1.000	.731
F10	.821	-.177	.231	1.000	.759
F11	.113	.859	-.056	1.000	.754
F12	.112	.846	.059	1.000	.731
F13	.242	.825	.070	1.000	.745
F14	.144	.816	.114	1.000	.699
Extraction Method: Principal Component Analysis. a. 3 components extracted.					

Interpretation:

The above table indicates the component matrix with communalities, i.e., factor loading of each component extracted with the principal component method, and communalities say the sum of squares of each value of a particular variable; it is a measure of the percentage of variable variation that is explained by factors. The highest communalities are F5, F8, F10 and F11 which indicate accountability of each variable by the underlying factors taken together.

Table no 5 : Rotated Component Matrix^a

	Component		
	1	2	3
F1	.685	.403	.016
F2	.777	.359	.039
F3	.699	.482	.049
F4	.801	.211	.095
F5	.848	.204	.093

F6	.841	.151	.017
F7	.199	.828	.072
F8	.325	.828	-.005
F9	.292	.804	.012
F10	.492	.717	-.053
F11	.082	-.093	.859
F12	.009	-.005	.855
F13	.103	.089	.852
F14	.000	.062	.834
Extraction Method: Principal Component Analysis.			
Rotation Method: Varimax with Kaiser Normalization.			
a. Rotation converged in 5 iterations.			

Interpretation:

From the above study, three components have been extracted using an extraction method called principal component analysis, followed by a rotation method called Varimax with Kaiser Normalization, performed to the factor loading of each component extracted. Researchers will use the rotated component matrix using 0.8 as a cut-off point for factor loading when naming the factors. Factor 1 comprises F4 (Historical background), F5 (Board member) and F6 (Legal matter), this can be named as '**Legality and Vintage factor**'. Factor 2 comprises F7 (Current financial position), F8 (Future prediction and forecast) and F9 (Management qualities), this can be named as '**Fundamental factors**'. Factor 3 comprises F11 (Broker advise), F12 (Key shareholder), F13 (Comments in media) and F14 (Corporate governance practice), this can be named as '**Trend and advisory factor**'.

Objective 2: To evaluate how purpose of investment in IPO differs based on experience in stock market.

Hypothesis:

- H₀** - There is no significant difference in purpose of investment in IPO between the experiences of investors in stock market.
- H₁** - There is a significant difference in purpose of investment in IPO between the experiences of investors in stock market.

Table no 6: Summary of results of Kruskal Wallis H test and its ranks

Ranks				Test Statistics		
	Purpose of IPO investment	N	Mean Rank	Kruskal-Wallis H	df	Asymp. Sig.
Experience in stock market	Long-term Gain	43	36.83	5.370	1	.020
	Listing Gain	41	48.45			
	Total	84				

Interpretation:

The table above displays the results of the Kruskal-Wallis H test, including mean ranks, to identify the significant differences in purpose of investment in IPO between the experiences of investors in stock market. Investor chooses the IPO investment for purpose of Long term gain (N = 43, mean rank: 36.83) and an investors choose the IPO investment for the purpose of Listing gain (N = 41, mean rank: 48.45). A Kruskal-Wallis H test was found to be statistically significant in which the p value was less than the significance value of 0.05 – {H = 5.370, p = 0.020} so therefore the Alternative hypothesis is been accepted, Hence There is a significant difference in purpose of investment in IPO between the experiences of investors in stock market.

Objective 3: To identify the association between expected return from IPO and experience in stock market.

Hypothesis:

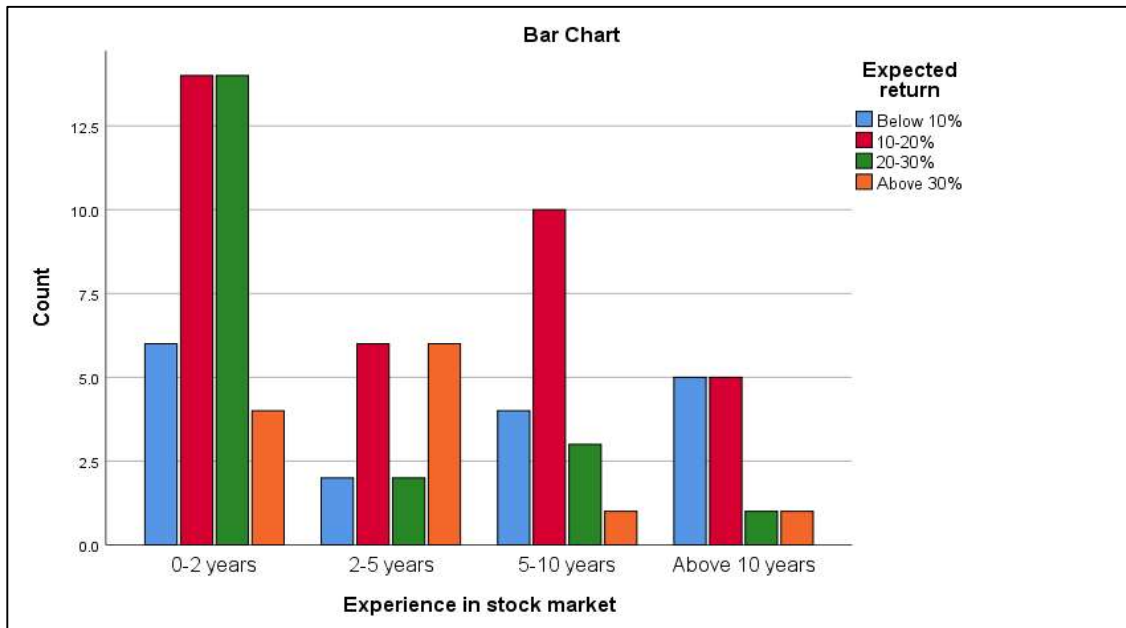
- H₀** – There is no significant association between expected return from IPO and experience of investors in stock market.
- H₁** – There is a significant association between expected return from IPO and experience of investors in

stock market.

Table no 7: Cross tabulation between experience in stock market and expected return

			Expected return				Total
			Below 10%	10-20%	20-30%	Above 30%	
Experience in stock market	0-2 years	Count	6	14	14	4	38
		Expected Count	7.7	15.8	9.0	5.4	38.0
		% within Experience in stock market	15.8%	36.8%	36.8%	10.5%	100.0%
	2-5 years	Count	2	6	2	6	16
		Expected Count	3.2	6.7	3.8	2.3	16.0
		% within Experience in stock market	12.5%	37.5%	12.5%	37.5%	100.0%
	5-10 years	Count	4	10	3	1	18
		Expected Count	3.6	7.5	4.3	2.6	18.0
		% within Experience in stock market	22.2%	55.6%	16.7%	5.6%	100.0%
	Above 10 years	Count	5	5	1	1	12
		Expected Count	2.4	5.0	2.9	1.7	12.0
		% within Experience in stock market	41.7%	41.7%	8.3%	8.3%	100.0%
Total		Count	17	35	20	12	84
		Expected Count	17.0	35.0	20.0	12.0	84.0
		% within Experience in stock market	20.2%	41.7%	23.8%	14.3%	100.0%

Chart no 1: Distribution between experience in stock market and expected return



Interpretation:

The above Chart and crosstab calculation for Expected return and Experience in stock market, out of 84 Investors, 38 investors having experience of 0 - 2 years, of these which 15.8% of them expect below 10% of return, 36.8% of them expect 10-20%, 36.8 % of them expect 20-30% also and 10.5% of them expect 10.5% of return. 16

investors having experience of 2- 5 years, of these which 12.5% of them expect below 10% of returns, 37.5% of them expect 10-20%, 12.5 % of them expect 20-30% and 37.5% of them expect 10.5% of return. 18 investors having experience of 5-10 years, of these which 22.2% of them expect below 10% of return, 55.6% of them expect 10-20%, 16.7% of them expect 20-30% and 5.6% of them expect 10.5% of return. 12 investors having experience of above 10 years, of these which 41.7% of them expect below 10% of return, 41.7% of them expect 10-20%, 8.3 % of them expect 20-30% and 8.3% of them expect 10.5% of return.

Table no 8: Results of Chi-Square Tests

	Value	df	Asymptotic Significance (2-sided)	Monte Carlo Sig. (2-sided)			Monte Carlo Sig. (1-sided)		
				Significance	99% Confidence Interval		Significance	99% Confidence Interval	
					Lower Bound	Upper Bound		Lower Bound	Upper Bound
Pearson Chi-Square	17.548 ^a	9	.041	.038 ^b	.033	.042			
Likelihood Ratio	15.685	9	.074	.113 ^b	.105	.121			
Fisher's Exact Test	14.299			.087 ^b	.080	.094			
Linear-by-Linear Association	4.311 ^c	1	.038	.041 ^b	.036	.046	.020 ^b	.016	.023
N of Valid Cases	84								
a. 9 cells (56.3%) have expected count less than 5. The minimum expected count is 1.71.									
b. Based on 10000 sampled tables with starting seed 2000000.									
c. The standardized statistic is -2.076.									

Table no 9 : Summary of Symmetric Measures

			Value	Approximate Significance	Monte Carlo Significance		
					Significance	99% Confidence Interval	
						Lower Bound	Upper Bound
Nominal by	Phi		.457	.041	.038 ^c	.033	.042
Nominal	Cramer's V		.264	.041	.038 ^c	.033	.042
N of Valid Cases			84				
c. Based on 10000 sampled tables with starting seed 2000000.							

Interpretation:

The test results revealed that the chi-square statistic value is 17.548 and Fisher's exact test value of 14.299, as the expected count less than 5 exceed more than 20% , Researchers consider the Monte Carlo significance test, hence the p value is less than 0.05 ($p = 0.038$), respectively. The alternative hypothesis has been accepted as there is a significant association between expected return from IPO and experience of investors in stock market. However, the Phi and Cramer's v score ($\phi = 0.457$ and Cramer's $v = 0.264$) demonstrates the moderate strength of the association, indicating that the level of achieving in terms of expected returns varies moderately among investors with different stock market experience in investing and trading.

6. Conclusion:

The research study findings suggest that a factor analysis was conducted on the information provided in order to assess the impact of factors on investors and their investment decisions regarding IPO investments. The KMO value and Bartlett's test of sphericity were used to determine the significance of these factors. The study reveals a

significant difference in the investment objectives for IPOs between experienced investors in the stock market. Statistical analysis reveals a significant correlation between the projected return from an initial public offering (IPO) and the level of experience of investors in the stock market. This correlation suggests a moderate relationship, indicating that the predicted returns vary to some extent among individuals with different levels of stock market expertise in investing and trading.

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