An Initial Public Offering or IPO is the first issue of shares by a private company. When a company decides to go public, it offers shares at a pre-determined price/price-band through the IPO. However, why do companies go public? Every private company has a choice between staying private or going public. The Securities and Exchanges Board of India has laid down certain requirements that it needs to fulfill before launching an IPO which includes disclosing its financial records to the public. So, what are the advantages of going public?

How Does Investing In an IPO Benefit Investors? Advantages of Going Public. There are many reasons behind a company’s decision to go public. Here are some advantages that a private company can derive by launching an IPO. The Initial Public Offering (IPO) Process is where a previously unlisted company sells new or existing securities (marketable securities) to the public for the first time. Prior to an IPO, a company is considered to be private and has a smaller number of shareholders. You can also purchase this book from a vendor and ship it to our address: Internet Archive Open Library Book Donations 300 Funston Avenue San Francisco, CA 94118. Better World Books.

Learn about the right time to launch an IPO and get further information about its advantages and disadvantages. Read more! When a private company sells securities to the public in the form of shares for the very first time, it is known as the initial public offering. What are the advantages of going public? Raises a lot of money. Increases liquidity. Lately, initial public offerings have been attracting more media attention, primarily through the Internet. The marketing exposure generated by the IPO can result in increased interest in the company’s products (Draho, 2004). The research investigates valuations of the ten biggest initial public offerings (IPOs) of Internet firms in the US in 2018 at various stages of the IPO process. The stages are defined as three: valuation of the company, investors' book-building, and shares in the secondary market. First, the valuation of Internet firms and selected accounting metrics are associated. Second, differences between peer groups as well as across different stages in the IPO process are established.