

The Influence of the Intellectual Capital on the Firms' Market Value: A Study of Listed Firms in the Tehran Stock Exchange (TSE)

Authors : Bita Mashayekhi, Seyed Meisam Tabatabaie Nasab

Abstract : Intellectual capital is one of the most valuable and important parts of the intangible assets of enterprises especially in knowledge-based enterprises. With respect to increasing gap between the market value and the book value of the companies, intellectual capital is one of the components that can be placed in this gap. This paper uses the value added efficiency of the three components, capital employed, human capital and structural capital, to measure the intellectual capital efficiency of Iranian industries groups, listed in the Tehran Stock Exchange (TSE), using a 8 years period data set from 2005 to 2012. In order to analyze the effect of intellectual capital on the market-to-book value ratio of the companies, the data set was divided into 10 industries, Banking, Pharmaceutical, Metals & Mineral Nonmetallic, Food, Computer, Building, Investments, Chemical, Cement and Automotive, and the panel data method was applied to estimating pooled OLS. The results exhibited that value added of capital employed has a positive significant relation with increasing market value in the industries, Banking, Metals & Mineral Nonmetallic, Food, Computer, Chemical and Cement, and also, showed that value added efficiency of structural capital has a positive significant relation with increasing market value in the Banking, Pharmaceutical and Computer industries groups. The results of the value added showed a negative relation with the Banking and Pharmaceutical industries groups and a positive relation with computer and Automotive industries groups. Among the studied industries, computer industry has placed the widest gap between the market value and book value in its intellectual capital.

Keywords : capital employed, human capital, intellectual capital, market-to-book value, structural capital, value added efficiency

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