

**THE IMPACT OF INTELLECTUAL CAPITAL ON FINANCIAL
PERFORMANCE: A STUDY ON THE CONSUMER PRODUCTS AND
SERVICES COMPANIES IN MALAYSIA**

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CHAPTER 1 INTRODUCTION

The purpose of the study is to determine the relationship between intellectual capital and firm's performance of the consumer products and services industry in Malaysia. The study is divided into two models which are model 1 associated with VAIC and model 2 associated with components of VAIC. The establishment of four objectives is to test whether independent variables used are determinant factors of firm's performance as stated in previous literature. Results shown that intellectual capital is more likely can be explained by the VAIC theory when three out of the four variables are consistent with this theory. Findings also prove that three independent variables used in this study are determinant factors of the intellectual capital of the consumer products and services industry in Malaysia.

Keywords: VAIC theory, consumer products and services industry, intellectual capital.