UNIVERSITI TEKNOLOGI MARA

THE RELATIONSHIP BETWEEN INTELLECTUAL CAPITAL AND COMPANY'S PERFORMANCE IN TECHNOLOGY SECTOR IN MALAYSIA

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AUTHOR'S DECLARATION

I declare that the work in this final year project paper was carried out in accordance with the regulations of Universiti Teknologi MARA. It is original and is the results of my own work, unless otherwise indicated or acknowledged as referenced work. This thesis has not been submitted to any other academic institution or non-academic institution for any degree or qualification.

I, hereby, acknowledge that I have been supplied with the Academic Rules and Regulations for Undergraduate, Universiti Teknologi MARA, regulating the conduct of my study and research.

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ABSTRACT

Intellectual capital (IC) is a company intangible asset which is frequently associated with value and performance. Generally, intellectual capital consists three components; human capital, structural capital, and relational capital. In this knowledge-based economy, intellectual capital is a crucial part which is represent a large part of the value of a company. The traditional annual report only shows partially value of intangible assets such as licenses, patents, trademarks and others. This study aims to explore the relationship between intellectual capital and the technology-based company listed in Bursa Malaysia. To measure the intellectual capital of a company, this study using Value Added Intellectual Coefficient (VAIC) The data from this study collected from secondary data and quantitative approach which is panel data and multiple regression model represented by the ordinary least squares (OLS). The dependent variable in this study is company performance that represent by return on assets (ROA) and for independent variable, there are three variables; value-added structural capital (SCVA), value added capital employed (VAHA), and value added human capital (VAHU). The sample off 20 companies was chosen with the time period from year 2010 until 2016. The data will be relied on the annual report of the company that can be obtained from Bursa Malaysia.

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