

**UNIVERSITI TEKNOLOGI MARA**

**THE USEFULNESS OF INTELLECTUAL  
CAPITAL INFORMATION TO THE  
FINANCIAL ANALYSTS AND FUND  
MANAGERS**

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Dissertation submitted in partial fulfillment of the requirement  
for the degree of

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## CANDIDATE'S DECLARATION

I declare that the work in this dissertation 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 topic has not been submitted to any other academic institution or non-academic institution for any degree or qualification.

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## ABSTRACT

Intellectual capital (IC) has long been recognised as a key corporate value creator in the knowledge-based economy, witnessed by an increase in the disclosure of IC information externally. However, such disclosures fall short of those desired by the users, hence creating an information gap. This study explores the importance of IC and the extent of usefulness of IC information to the financial analysts and fund managers, examines how or where IC information is obtained and identifies the challenges faced by them in obtaining IC information. This study employed a postal survey with the aid of a questionnaire. Findings from this study suggest that IC is important to the financial analysts and fund managers in performing companies' evaluation. As IC is found to be important, the financial analysts and fund managers used IC information to some extent. Relational capital was discovered to be extensively used, followed by structural capital and human capital. The preference towards relational capital is more concerned about cash generating abilities of companies. It was also found that the main sources of IC information were from financial statements and notes to the accounts. Lack of public disclosure is the biggest challenge in obtaining IC information. The usefulness of IC information is not dependent to the years of experience or the types of services provided by the users. Overall, this study provides empirical evidence on the usefulness of IC information to the financial analysts and fund managers in carrying out their jobs. It helps to raise awareness amongst companies and regulators in enhancing the disclosures of external IC information. Future research may extend the samples size, include other groups of stakeholders, investigate further the use of IC information internally within firms.

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