

## **ABSTRACT**

### **ANALYSIS OF VALUE RELEVANCE OF INTELLECTUAL CAPITAL DISCLOSURE (An Empirical Study on Bank Listed in Banking Indonesia Year 2012-2016)**

**By**

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This research aims to examine whether the disclosure of IC information conducted by the company in the annual report has value relevance. The research dependent variable is PRICE. The independent variables in this research are intellectual capital disclosure index (ICDI) obtained using Li's approach. et. al. (2012) which consists of 61 items of IC information, net income (NI), and book value of equity (BVE). The research sample is a banking sector company listed on the Indonesia Stock Exchange (BEI) of the year 2012 through 2016 using annual report.

The result of hypothesis testing with regression analysis using SPSS 23 application shows that ICDI coefficient is not have positive influence to stock price. But if it is divided into 3 components it can be seen that Human Capital Disclosure Index (HCDI) has a positive effect on stock price although Structural Capital Disclosure Index (SCDI) and Customer Capital Disclosure Index (CCDI) have no effect on stock price. This shows that not all information about intellectual capital has value relevance. This study has several limitations, this research is only done on the banking sector that has been recognized by several studies have an intensive IC. This study does not examine the other companies' sectors whether they have IC intensive or not. Subsequent research is suggested to test the value relevance of corporate IC information in the sector of IC intensive as well as on sector which IC is not intensive, so the result will be more comprehensive.

**Key Words:** Intellectual Capital, IC information, Value Relevance.