

ABSTRACT**THE EFFECT OF INTELLECTUAL CAPITAL ON COMPANY'S
FINANCIAL PERFORMANCE AND STOCK RETURN
(Empirical Studies on LQ 45 Companies Listed in Indonesia Stocks
Exchange For Year 2015-2017)****By:****SURYA AJI UTOMO**

The aim of this research is to determine the effect of intellectual capital towards firms financial performance and stocks return. The measurement of intellectual capital use Value Added Intellectual Coefficient (VAIC) models developed by Pulic while the firm financial performance proxied by ROA. The population of this study are LQ 45 companies listed in IDX for year 2015-2017. The sample selected by using purposive sampling method. Based on the existing criteria, there are 32 companies that became sample in this study. The data analysis in this study use multiple linear regression method with Eviews 9 statistical program. The result shows that there are positive effect of intellectual capital toward financial performance and stock return. This result indicates that LQ 45 companies capable to manage and maximize their intellectual capital to create value added. Thus, it will lead into the increasing of the financial performance that will be followed by the increasing of stock return.

Keywords : Intellectual Capital, Value Added Intellectual Capital (VAIC), Return on Asset (ROA), Stock Return.