

ABSTRACT

THE EFFECT OF INTELLECTUAL CAPITAL ON FIRM VALUE WITH PROFITABILITY AS MODERATING VARIABLE: EMPIRICAL STUDY OF TELECOMMUNICATION COMPANIES LISTED ON IDX 2011-2019

By

ATIKA PUTRI DIANTI

This paper aims to scrutinize the relationship between intellectual capital on affecting firm value in telecommunication subsector companies listed on the Indonesian Stock Exchange 2011-2019 due to different relation direction in previous research results. Shifting value is the main background of research where traditional economic paradigm that mainly focused on tangible assets has shifted to the use of new economic paradigm of knowledge based economy. This paper examines the relationship of intellectual capital on affecting the firm value under resource-based theory and stakeholder theory finance management frame of references and profitability as moderating variable. The result of the study has shown that intellectual capital does not affect firm value and profitability could moderate the relationship of intellectual capital to firm value.

Keywords: Intellectual Capital, Profitability, Firm Value.