AN EMPIRICAL STUDY ON THE EFFECT OF ECONOMIC VALUE-ADDED AND INTELLECTUAL CAPITAL TO THE MOVEMENT OF STOCK PRICE IN INDONESIA

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ABSTRACT

Objectives

This paper aims to find out the ability of Economic Value Added in associating stock price with the addition of Intellectual Capital.

Methods

The research considers 90 samples taken from IDX. The author utilized the method provided by Huang and Wang (2008) to investigate the ability of EVA and IC in explaining stock price. There are 2 methods being used in this research.

Results and Conclusion

The study provides empirical evidence that the ability of EVA in associating stock price is greater than that of EPS considering IC elements, only under Other than Consumer Goods Industry. On the other hand, several IC elements such as marketing expense per share are indeed significant.

Keywords

Economic Value Added, Intellectual Capital, Earnings per Share, Consumer Goods Industry