

# **IMPACT OF INTELLECTUAL CAPITAL ON FIRM'S MARKET VALUE-CASE OF PHARMACEUTICAL SECTOR IN PAKISTAN**

**BY**  
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A thesis presented to the Department of Management Sciences, Bahria University Karachi Campus, in partial fulfillment of the requirements of the MBA degree



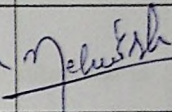
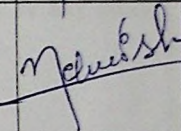
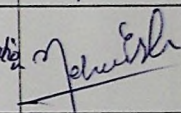
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## MBA Thesis

### 2<sup>nd</sup> Half-semester Progress Report & Thesis Approval

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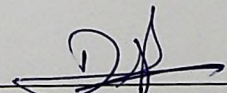
No.	Date	Place of Meeting	Topic Discussed	Signature of Student
5	28 <sup>th</sup> Oct/2016	Cubical	Chapter # 4: Data Integration	
6	10 <sup>th</sup> Nov/2016	Cubical	Chapter # 5: Critical Debate	
7	1 <sup>st</sup> Dec/2016	Cubical	Chapter # 6: Conclusion & Recommendations	

#### APPROVAL FOR EXAMINATION

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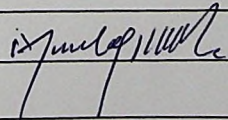
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## **Abstract**

### **Purpose-**

The purpose of this study is to examine the impact of intellectual capital on firm's market value. Intellectual capital includes three main components i-e human capital, capital employed and structural capital and firm's market value is examine through market-to-book-ratio.

### **Methodology/sample-**

The data taken from the five listed companies of pharmaceutical companies of Pakistan Stock Exchange. The period observed for the research was from 2006 to 2015. Where as, Eviews software is applied for the testing of different hypothesis.

### **Findings-**

Results support the research and conclude that structural capital has significant relationship with market value. Where as, capital employed and human capital has non-significant relationship.

### **Practical Implications-**

The results assists in understanding intellectual capital and its impact on various other variables in which we can see that structural capital is significant variable and should be considered properly for increasing market value of the firm.

### **Keywords:**

Intellectual Capital, Human Capital efficiency, Capital Employed Efficiency, Structural Capital Efficiency, Market Value, Value Added Intellectual Capital.

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