

**RELATIONSHIP BETWEEN THE CORPORATE  
CHARACTERISTICS AND INTELLECTUAL CAPITAL  
DISCLOSURE LEVEL OF S&P SL 20 COMPANIES IN SRI  
LANKA**



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## ABSTRACT

Today Intellectual Capital (IC) is the main sources of company's competitive advantage. Most of the companies, managers tend to provide appropriate annual report in which discloses information regarding IC. They always try to give better information to the stake holders. Population of study constituted S&P SL 20 companies in Sri Lanka and a sample five years annual reports were used. The collected secondary data from S&P SL 20 companies covered period from 2012/2013 to 2016/2017 was used to examine relationship between Corporate Characteristics and Intellectual Capital Disclosure (ICD) level of S&P SL 20 companies in Sri Lanka. Regarding this topic, research examined level of ICD of S&P SL 20 companies in Sri Lanka and relationship between organization corporate characteristics and ICD.

The component used to measure ICD by using weighted score coding framework. As well as Firm Size proxied by natural logarithm value of total assets, Profitability proxied by Return On Assets (ROA), Leverage proxied by Debt Equit Ratio, and Firm Age is proxied by number of years, from incorporate year to current financial year. This study adopted both descriptive and quantitative research design. Descriptive Statistics, Frequency Analysis, Pearson Correlation, Simple Regression Analysis and Multiple Regression Analysis were used to analyze the data.

This study concluded that reporting of ICD items are unevenly distributed and information about External Capital items are reported high level. This results shows Sri Lankan companies most prefer to disclose External Capital categories, the resent is External Capital describe the external parties of the organization. So based on this situation organizations use to customer base theories. Further this study concludes that, firm size, profitability and leverage have relationship between ICD but firm age hasn't any significant relationship with ICD. This study will contribute to the literature by analyzing "Relationship between the Corporate Characteristics and Intellectual Capital Disclosure level of S&P SL 20 companies", by validating the results of previous studies stated in the literature.

**Keywords** Intellectual Capital Disclosure, Firm Size, Profitability, Leverage, Firm Age, S&P SL 20

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