

ABSTRACT

This study aims to determine the influence of information asymmetry and intellectual capital disclosure (ICD) towards the cost of equity (COE) on the company in the industry with intensive technology listed in the Indonesia Stock Exchange (BEI) in the period 2010-2012, namely banking and insurance, telecommunications, advertising and media, pharmaceuticals, computer and IT services, automotive, cable, electronics, chemicals, and trade. Researcher uses variable control such as beta and market to book ratio.

This study utilizes data from 16 companies listed at the Indonesian Stock Exchange in 2010 until 2012. The research data is secondary data obtained from the Indonesian Stock Exchange (www.idx.co.id) and ICMD 2010-2012. Hypothesis testing studies used analytical techniques with application tool of Statistical Product and Service Solutions (SPSS) versi 21.

The result of this study indicate simultaneously information asymmetry and intellectual capital disclosure have positive influence towards the cost of equity capital. Companies with low levels of information asymmetry and high intellectual capital disclosure which has an estimated cost of equity is low. Partially, information asymmetry has not significant positive influence towards the cost of equity. Meanwhile, the intellectual capital disclosure has a significant negative influence towards the cost of equity. Investors have been using intellectual capital disclosure of information in estimating the rate of return and risk on their shares, so companies with high level of intellectual capital disclosure has an estimated low cost of equity.

Keywords: asymmetry information, intellectual capital disclosure, cost of equity